

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Filing at a Glance

Company:	Northwestern Long Term Care Insurance Company
Product Name:	2016 LTC Risk Mitigation
State:	Virginia
TOI:	LTC03I Individual Long Term Care
Sub-TOI:	LTC03I.001 Qualified
Filing Type:	Rate
Date Submitted:	02/23/2017
SERFF Tr Num:	NWST-130932341
SERFF Status:	Closed-Approved
State Tr Num:	NWST-130932341
State Status:	Approved
Co Tr Num:	2016 LTC RISK MITIGATION – RS RATES - PRE-RATE STABILIZATION
Implementation	On Approval
Date Requested:	
Author(s):	Angela Schaaf, Annette HuttI, Debbie Orr, Laura Olski, Lisa Phimthasak
Reviewer(s):	Janet Houser (primary)
Disposition Date:	11/03/2017
Disposition Status:	Approved
Implementation Date:	

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## General Information

Project Name: 2016 LTC Risk Mitigation	Status of Filing in Domicile: Pending
Project Number: 2016 LTC Risk Mitigation	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 11/03/2017
	State Status Changed: 11/03/2017
Deemer Date:	Created By: Laura Olski
Submitted By: Laura Olski	Corresponding Filing Tracking Number: NWST-130932377, NWST-130932376, NWST-130932373, NWST-130932340
	State TOI: LTC03I Individual Long Term Care

### Filing Description:

Enclosed with this filing are revised rates for one of our inforce long-term care blocks of business (which is noted below). The block of business represents policies issued prior to the effective date of rate stabilization. Please note that we have included a cover letter to the actuarial memorandum which provides additional information regarding the revised rates.

The form number and approval date for the long-term care insurance policy that is impacted is as follows:

Policy Form Number / Approval Date  
RS.LTC.(1101) / 03/14/2002

We are planning to implement the rates in the third quarter of 2017 pending your department's approval.

Based on the above, your review and approval is greatly appreciated. If you have any questions, you may contact me at 414-665-1859 or email me at [annettehuttl@northwesternmutual.com](mailto:annettehuttl@northwesternmutual.com). For all email correspondence, please copy Laura Olski at [lauraolski@northwesternmutual.com](mailto:lauraolski@northwesternmutual.com).

Sincerely,

Annette Huttl  
Product Compliance Consultant  
Actuarial Department

## Company and Contact

### Filing Contact Information

Annette Huttl, Product Compliance Consultant	<a href="mailto:annettehuttl@northwesternmutual.com">annettehuttl@northwesternmutual.com</a>
720 East Wisconsin Avenue	414-665-1859 [Phone]
S845	414-625-7598 [FAX]
Milwaukee, WI 53202	

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<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
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### Filing Company Information

Northwestern Long Term Care  
Insurance Company  
720 East Wisconsin Avenue  
Rm S845  
Milwaukee, WI 53202  
(414) 271-1444 ext. [Phone]

CoCode: 69000  
Group Code: 860  
Group Name:  
FEIN Number: 36-2258318

State of Domicile: Wisconsin  
Company Type: Long Term  
Care  
State ID Number:

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### Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Janet Houser	11/03/2017	11/03/2017

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Janet Houser	03/21/2017	03/21/2017

#### Response Letters

Responded By	Created On	Date Submitted
Annette Huttl	04/10/2017	04/10/2017

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Long Term Care Insurance Rate Request Summary	Annette Huttl	10/19/2017	10/19/2017

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Confirmation on rates inquiry	Note To Reviewer	Annette Huttl	10/23/2017	10/23/2017
Confirmation on rates	Note To Filer	Janet Houser	10/20/2017	10/20/2017
LTC Rate Summary & Rates	Note To Filer	Janet Houser	10/18/2017	10/18/2017
Note to Filer sent 7/11/2017	Note To Reviewer	Annette Huttl	10/04/2017	10/04/2017
Follow up	Note To Filer	Janet Houser	10/04/2017	10/04/2017
Targeted Loss Ratio	Note To Filer	Janet Houser	07/11/2017	07/11/2017
RRS	Reviewer Note	Janet Houser	10/31/2017	
Act Review	Reviewer Note	Janet Houser	02/24/2017	

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
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## Disposition

Disposition Date: 11/03/2017

Implementation Date:

Status: Approved

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Northwestern Long Term Care Insurance Company	68.000%	27.000%	\$164,729	238	\$610,107	30.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Certification of Compliance		Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Filing Status	Received & Acknowledged	Yes
Supporting Document	Policyowner Notification Letter	Received & Acknowledged	Yes
Supporting Document	VA Response Letter dated 04102017	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Withdrawn	Yes
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	Yes
Rate	Rates for RS.LTC.(1101)	Approved	Yes

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/21/2017
Submitted Date	03/21/2017
Respond By Date	

Dear Annette HuttI,

### Introduction:

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

A preliminary review of the submitted filing indicates the following concerns and questions. We'll continue our review of the submitted filing upon receipt of the following information.

1.Please provide assurances that the assumptions used in the projections are no more conservative (i.e. do not produce a higher loss ratio) than used in the company's prior year's asset adequacy testing.

2.Please also provide brief commentary as to the relationship of the "repriced" morbidity, lapse and mortality assumptions vs. those submitted in the recent Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

3.The actuarial memorandum includes several references to policies that are no longer paying premiums. Does this solely refer to the Paid-up Nonforfeiture Benefit or the survivorship Benefit? Please confirm if a portion of the policies were issued on a limited pay basis. What payment periods were available? Please indicate what portion of the block is paid up as of the date of the analysis 12/31/15.

4.Please confirm the treatment of the waiver of premium benefit within the loss ratio exhibit.

5.It was indicated that the restated lifetime pricing loss ratio, after adjusting to the maximum valuation interest rate is 67%.

a.Did this include any anticipated dividends?

b.Does this reflect the same distribution of business as assumed in pricing or the actual sales?

6.The Distribution of Business by Plan indicates that 68% of the inforce policies have elected the "Automatic Additional Purchase Benefit" Indexing option.

a.What portion of these policies have purchased additional coverage?

b.What behavior is assumed in the projections (both with and without rate increase)?

7.The actuarial memorandum indicates a contingent benefit upon lapse will be offered to all policyholders if a rate increase is approved, as well as other various benefit reduction options. Please provide the assumptions with respect to the election of these various option in the "with rate increase" projections of the Exhibits, if any.

8.The actuarial memorandum, section 2 a, indicates a comparison is provided to rates for new business. The file "Premium Rate Compare RS pre rate after increase to UU2016(0916) VA" contains such a comparison. Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV was approved 11/4/16, and would appear to be the most recent new business rates available in Virginia, but reflects a different form number. Please confirm if the rates "UU2016(0916) VA" are those approved in that filing, and if not, indicate if comparison to the recent Virginia filing cited above would change the results of the comparison.

9.The Company indicates that its experience is not credible for use in determining projection morbidity assumptions. A comparison of historical experience was provided for claim incidence, claim termination and claim utilization assumptions. As a result of these studies, the following conclusion was noted: "our overall morbidity experience to-date, although limited and not credible, does not call

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into question the validity of the 2014 Milliman Guidelines for this block of business.” The study of actual to Milliman (expected) showed the following ratios:

- a.Incidence – overall A/E of 90%, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%’s to near 120%. The issue age block with most policies has A/E of 70%;
- b.Resolutions – overall A/E of 77%, reflecting 965 actual resolutions, fairly consistent across all claim months;
- c.Utilization – overall A/E of 85%

These ratios deviate sufficiently from the mean to lead to an expectation of additional adjustments to the indicated Milliman morbidity assumptions, even if only to reflect partial credibility. Please provide any additional studies or sensitivity tests that supported the final morbidity assumptions as a best estimate that reflected reasonable fit with historical experience.

10.Please provide a breakdown of the historical incurred claims by calendar year to reflect the portion already paid vs. the portion still estimated (PVANYD reserve). Please indicate the margin, if any, included in the estimated amounts.

11.Unusual fluctuations were noted in the incurred claims for 2012 through 2014. Please indicate if this is the result of claim reserve strengthening, claim incidence fluctuations, or other. If claim reserve were strengthened, please address how this may have impacted the analysis of the fit of the morbidity data and projection assumptions.

12.Please provide additional description of the projected mortality rates. How do the ultimate rates and improvement scale compare to a published industry table?

13.Rate increases were requested on a basis that varies by policy benefit period. Please provide analysis that specifically supports the determination of the rate increases by benefit period.

14.It was noted that “If the rate schedule increase of 68% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated.” What rate schedule increase would be required to reach a similar conclusions, but on a best estimate basis (with no margin for adverse deviation)?

#### **Conclusion:**

We shall be glad to reconsider this submission upon receipt of the information noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Janet Houser

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<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/10/2017
Submitted Date	04/10/2017

Dear Janet Houser,

### Introduction:

Good afternoon,

### Response 1

#### Comments:

Please refer to the VA Response Letter dated 04102017 attached under the Supporting Documentation tab.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Actuarial Certification (RS pre-rate) (VA).pdf RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx VA Exhibit 2 Inforce Policies and Premium (RS Pre-Rate Stabilization).pdf PREMCALC RR-RS (STD).pdf Experience Exhibits (VA).pdf Inforce Filing Act Memo Cover Letter (VA) RS.pdf Premium Rate Compare RS pre rate after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update (RS Pre-Rate Stabilization) (VA) REV.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	ACTMEMO Update (RS Pre-Rate Stabilization) (VA).pdf Actuarial Certification (RS pre-rate) (VA).pdf RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx VA Exhibit 2 Inforce Policies and Premium (RS Pre-Rate Stabilization).pdf PREMCALC RR-RS (STD).pdf Premium Rate Compare RS pre rate after increase to UU2016(0916) (VA).pdf Experience Exhibits (VA).pdf Inforce Filing Act Memo Cover Letter (VA) RS.pdf



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Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
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<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>ACTMEMO Update (RS Pre-Rate Stabilization) (VA).pdf</i> <i>Actuarial Certification (RS pre-rate) (VA).pdf</i> <i>RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx</i> <i>VA Exhibit 2 Inforce Policies and Premium (RS Pre-Rate Stabilization).pdf</i> <i>PREMCALC RR-RS (STD).pdf</i> <i>Premium Rate Compare RS pre rate after increase to UU2016(0916) (VA).pdf</i> <i>Experience Exhibits (VA).pdf</i> <i>Inforce Filing Act Memo Cover Letter (VA) RS.pdf</i>
<b>Satisfied - Item:</b>	VA Response Letter dated 04102017
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Response Letter Dated 04102017 RS RATES - Pre.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

If you have any questions or need additional information, please fee free to contact me.

Sincerely,

Annette HuttI

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Amendment Letter

Submitted Date: 10/19/2017

Comments:  
We have attached the correct Rate Request Summary form and revised it to reflect the effective date as "On approval" and corrected the average increase.

If you have any questions, please feel free to contact me at 414-665-1859.

Sincerely,  
Annette HuttI

Changed Items:  
*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	Summary Part 1-RS pre Rate Stabilization.pdf VA Rate Request Summary revised RS.LTC.(1101) pre-rate.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA Rate Request Summary Part 1-RS pre Rate Stabilization.pdf Summary Part 1-RS pre Rate Stabilization.pdf</i>

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
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**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Note To Reviewer

**Created By:**

Annette Huttl on 10/23/2017 09:10 AM

**Last Edited By:**

Annette Huttl

## Submitted On:

10/23/2017 09:11 AM

**Subject:**

### Confirmation on rates inquiry

**Comments:**

Dear Ms. Houser,

Yes, the rates for the pre-stability block and the post-stability block for Long Term Care policy form RS.LTC.(1101) are the same.

If you have any questions, please feel free to contact me at 414-665-1859.

Thanks,

Annette Huttl

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Note To Filer

**Created By:**

Janet Houser on 10/20/2017 09:03 AM

**Last Edited By:**

Janet Houser

## Submitted On:

10/20/2017 09:04 AM

**Subject:**

### Confirmation on rates

**Comments:**

Please confirm the rates for the pre-stability block on this filing and post-stability block on NWST-130932376 for the Long Term Care Policy RS.LTC.(1101) should be the same rates.

Thanks!

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Note To Filer

**Created By:**

Janet Houser on 10/18/2017 10:45 AM

**Last Edited By:**

Janet Houser

## Submitted On:

10/18/2017 10:45 AM

**Subject:**

## LTC Rate Summary & Rates

**Comments:**

Please attach a copy of the current rates.

When sending in the revised Rate Request Summary, please indicate the average requested increase as 27% rather than 27.9% for consistency with the Actuarial Memorandum and Rate/Rule Schedule.

Thanks!

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
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**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Note To Reviewer

**Created By:**

Annette Huttl on 10/04/2017 11:00 AM

**Last Edited By:**

Annette Huttl

**Submitted On:**

10/04/2017 11:00 AM

**Subject:**

Note to Filer sent 7/11/2017

**Comments:**

Here is our response. We thought it was already sent. We apologize for this oversight.

As indicated in the cover letter of this filing, we are not asking for the entire increase that could be actuarially justified at this time. Our intention was not to forgo the right to request further increases in the future should experience not sufficiently improve, but rather avoid larger increases that our policyowners would have difficulty managing at one time.

We will continue to monitor experience over the coming years and if our experience, or expectations regarding future experience, do not improve, we may request a future increase. Such an increase could be due to high ongoing policy persistency, validation of current claim cost levels by actuarial consultants, or a prolonged low interest rate environment. However, since all of NLTC's LTC policies are participating and eligible for dividends, if experience improves, we would have the ability to return that favorable experience back to our policyowners in the form of dividends, subject to the NLTC Board approval.

In determining the full increase needs, our goal was not to determine the maximum possible premium increase to meet a specific loss ratio target, but rather to determine the rate increase necessary to meet the company's current target rate of return. The process was similar to that of a new issue pricing exercise. Changes in all relevant pricing assumptions were considered, including morbidity, mortality, lapses, expenses, investment returns and other items like changes in capital requirements. Because of the way we determine our full increase need, it is possible that improvements in assumptions that don't directly impact the loss ratio, like interest rates, could actually help mitigate our need for a future rate increase. Our goal is to manage the profitability of the product line, while operating within all minimum loss ratio requirements, not to target a specific loss ratio.

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**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
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## Note To Filer

**Created By:**

Janet Houser on 10/04/2017 10:21 AM

**Last Edited By:**

Janet Houser

**Submitted On:**

10/04/2017 10:21 AM

**Subject:**

Follow up

**Comments:**

At this time we have not received a response to our Note to Filer dated 7/11/2017. Please advise.

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
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## Note To Filer

**Created By:**

Janet Houser on 07/11/2017 10:48 AM

**Last Edited By:**

Janet Houser

## Submitted On:

07/11/2017 10:49 AM

**Subject:**

### Targeted Loss Ratio

**Comments:**

If this increase is approved and experience develops as anticipated, will the company forgo increases in the future? If not, what would trigger a rate increase in the future? In other words, what targeted loss ratio does the company plans to manage this block in the future?



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## Reviewer Note

**Created By:**

Janet Houser on 10/31/2017 05:45 AM

**Last Edited By:**

Janet Houser

**Submitted On:**

11/03/2017 09:46 AM

**Subject:**

RRS

**Comments:**

rate summaries

Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number: Northwestern Long Term Care Insurance Company

SERFF Tracking Number: NWST-130932341

Effective Date: On approval

Revised Rates

Average Annual Premium Per Member: \$3,279

Average Requested Percentage Rate Change Per Member: 27%

Minimum Requested Percentage Rate Change Per Member: 0%

Maximum Requested Percentage Rate Change Per Member: 30%

Number of Policy Holders Affected : 238

Plans Affected

(The Form Number and “Product Name”)

Form#

“Product Name”(if applicable)

RS.LTC.(1101) (pre-rate  
stabilization)

QuietCare RS

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

*This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.*

## **Explanation of Assumptions and Rate Increase**

The company is requesting an average rate increase of 28% with the rate increase varying by benefit period for the pre-rate stabilization policies on the RS.LTC.(1101) policy form. The requested rate increase for 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new issue business rates.

New proposed rate tables for these policy forms are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the forms specified above, the projected lifetime loss ratio based on the assumptions outlined in the actuarial memorandum is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 28% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on these policy forms.

## **Long Term Care Insurance Rate Request Summary Part 2 –To Be Completed By Bureau of Insurance**

**Company Name and NAIC Number: Northwestern Long Term Care Insurance Company - 69000**

**SERFF Tracking Number: NWST-130932341**

**Disposition: Approve**

**Approval Date: 11/03/2017**

### **Revised Rates**

**Average Annual Premium Per Member: \$3279**

**Average Requested Percentage Rate Change Per Member: 27%**

**Minimum Requested Percentage Rate Change Per Member: 0%**

**Maximum Requested Percentage Rate Change Per Member: 30%**

**Number of Policy Holders Affected: 238**

### **Summary of the Bureau of Insurance's review of the rate request:**

Northwestern Long Term Care Insurance Company (the Company) submitted a 27% rate for policy form RS.LTC. (1101). This is an individual closed block of business issued from March 2002 through September 2003 and is subject to the requirements of 14VAC5-200-150. As of the date of submission, there were 238 policies in Virginia and 9,955 policies nationwide. This is the first rate increase filed for the policies in Virginia.

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period for the pre-rate stabilization policies on the RS.LTC.(1101) policy form. The requested rate increase for 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with a 3 year benefit period to ensure that inforce rates do not exceed new issue business rates.

The primary reasons for the rate increase are that policyholders are keeping their policies in force longer, living longer, filing claims more frequently, and staying on claim longer than originally assumed. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced.

The Bureau reviewed the rate increase in accordance with the requirements of 14VAC5-200-150 B which requires a lifetime loss ratio of greater than 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus 80% applied to any premium increase for individual policy forms. The company demonstrated, using actuarially justified assumptions, that the projected lifetime loss ratio without the rate increase would be 99.3% and 87.5% with the rate increase, both of which exceed the original target lifetime loss ratio of 61%. Since the filing met the requirements of 14VAC5-200-150 B after implementation of the rate increase the Bureau of Insurance approved the rate increase.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions. Specific options are included in the letter sent to all policyholders notifying them of the rate increase or can be discussed with the company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the [Rate/Policy Form Search](http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx) at:  
<http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>

***This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.***

**State:** Virginia **Filing Company:** Northwestern Long Term Care Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2016 LTC Risk Mitigation  
**Project Name/Number:** 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Reviewer Note

**Created By:**

Janet Houser on 02/24/2017 08:38 AM

**Last Edited By:**

Janet Houser

## Submitted On:

11/03/2017 09:46 AM

**Subject:**

## Act Review

**Comments:**

2.24.17 Sent to Korn Ferry; due date 3.10.17

3.14.17 add'l info needed

4.11.17 - add'l info rec'd, due date 4.25.17

### 5.8.17 - recommend approval

## **State of Virginia**

**March 14, 2017**

**Northwestern Long Term Care Insurance Company  
Long Term Care Rate Increase Filing  
NWST – 130932341  
RS.LTC.(1101) – pre rate stability block  
Request for Additional Information**

We have follow-up questions on initial materials provided by the State. All references are to the supporting documents from the SERFF filing noted above unless otherwise indicated.

1. Please provide assurances that the assumptions used in the projections are no more conservative (i.e. do not produce a higher loss ratio) than used in the company's prior year's asset adequacy testing.
2. Please also provide brief commentary as to the relationship of the "repriced" morbidity, lapse and mortality assumptions vs. those submitted in the recent Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.
3. The actuarial memorandum includes several references to policies that are no longer paying premiums. Does this solely refer to the Paid-up Nonforfeiture Benefit or the survivorship Benefit? Please confirm if a portion of the policies were issued on a limited pay basis. What payment periods were available? Please indicate what portion of the block is paid up as of the date of the analysis 12/31/15.
4. Please confirm the treatment of the waiver of premium benefit within the loss ratio exhibit.
5. It was indicated that the restated lifetime pricing loss ratio, after adjusting to the maximum valuation interest rate is 67%.
  - a. Did this include any anticipated dividends?
  - b. Does this reflect the same distribution of business as assumed in pricing or the actual sales?
6. The Distribution of Business by Plan indicates that 68% of the inforce policies have elected the "Automatic Additional Purchase Benefit" Indexing option.
  - a. What portion of these policies have purchased additional coverage?
  - b. What behavior is assumed in the projections (both with and without rate increase)?

7. The actuarial memorandum indicates a contingent benefit upon lapse will be offered to all policyholders if a rate increase is approved, as well as other various benefit reduction options. Please provide the assumptions with respect to the election of these various option in the “with rate increase” projections of the Exhibits, if any.
8. The actuarial memorandum, section 2 a, indicates a comparison is provided to rates for new business. The file “Premium Rate Compare RS pre rate after increase to UU2016(0916) VA” contains such a comparison. Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV was approved 11/4/16, and would appear to be the most recent new business rates available in Virginia, but reflects a different form number. Please confirm if the rates “UU2016(0916) VA” are those approved in that filing, and if not, indicate if comparison to the recent Virginia filing cited above would change the results of the comparison.
9. The Company indicates that its experience is not credible for use in determining projection morbidity assumptions. A comparison of historical experience was provided for claim incidence, claim termination and claim utilization assumptions. As a result of these studies, the following conclusion was noted: “our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.” The study of actual to Milliman (expected) showed the following ratios:
  - a. Incidence – overall A/E of 90%, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%’s to near 120%. The issue age block with most policies has A/E of 70%;
  - b. Resolutions – overall A/E of 77%, reflecting 965 actual resolutions, fairly consistent across all claim months;
  - c. Utilization – overall A/E of 85%

These ratios deviate sufficiently from the mean to lead to an expectation of additional adjustments to the indicated Milliman morbidity assumptions, even if only to reflect partial credibility. Please provide any additional studies or sensitivity tests that supported the final morbidity assumptions as a best estimate that reflected reasonable fit with historical experience.
10. Please provide a breakdown of the historical incurred claims by calendar year to reflect the portion already paid vs. the portion still estimated (PVANYD reserve). Please indicate the margin, if any, included in the estimated amounts.
11. Unusual fluctuations were noted in the incurred claims for 2012 through 2014. Please indicate if this is the result of claim reserve strengthening, claim incidence fluctuations, or other. If claim reserve were strengthened, please address how this may have impacted the analysis of the fit of the morbidity data and projection assumptions.

12. Please provide additional description of the projected mortality rates. How do the ultimate rates and improvement scale compare to a published industry table?
13. Rate increases were requested on a basis that varies by policy benefit period. Please provide analysis that specifically supports the determination of the rate increases by benefit period.
14. It was noted that “If the rate schedule increase of 68% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated.” What rate schedule increase would be required to reach a similar conclusions, but on a best estimate basis (with no margin for adverse deviation)?



May 8, 2017

Mr. Robert Grissom  
Insurance Market Examiner  
Forms and Rates Section Life and Health Division  
State Corporation Commission, Bureau of Insurance  
P.O. Box 1157 Richmond, VA 23218

**RE:**  
**Northwestern Long Term Care Insurance Company**  
**Long Term Care Rate Increase Filing**  
**Policy Form: RS.LTC.(1101), approved 3/14/2002.**  
**SERFF #: NWST – 130932341**

Dear Bob:

We have completed our review of this filing for a long term care rate increase. Northwestern Long Term Care Insurance Company (the Company) is requesting a set of increases for in force policies which vary by benefit period, averaging 28% across in force policyholders:

Benefit Period:	increase %
3 year	10%
6 year	25%
Lifetime	30%

No increase would apply for issue ages 75+ with 3 year benefit period to ensure inforce rates do not exceed new issue business rates.

The Company also stated that *“the requested premium rate schedule increase is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the rate schedule increase of 68% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated. An average rate schedule increase of 56% would be necessary without margin for moderately adverse conditions.”*

### **Recommendation**

We recommend that the Bureau approve the requested increase. Alternatively, the full increase which averages of 56%, limited to new business rates, is also compliant with the requirements of **14VAC5-200-150B**.

Our review of this filing was performed according to the provisions of 14VAC5-200. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No.

18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”.

Several objections were sent to the Company requesting additional information via SERFF. The Company’s responses clarified issues and data outlined in the actuarial memorandum. This information was not verified, but we did review it for consistency and reasonableness. If any information was inaccurate, it may require us to revise our conclusions and opinions.

## **Background**

This is a closed block of business in Virginia and Nationwide. This policy form was sold nationwide, and in Virginia from since March, 2002 through July 2008. This filing only includes the policies issued prior to October 1, 2003. These are individual policies which are guaranteed renewable for life.

There have been no prior rate increases on these blocks of business in Virginia or Nationwide. The Company is currently in the process of requesting similar rate increases Nationwide.

As of 12/31/15 (the projection date in the filing), there were 238 policies in force in Virginia and 9,995 policies in force Nationwide that were issued prior to 10/1/2003. The average issue age is 54.7 with current durations of about 14 years. Accumulated historical claims to 12/31/15 are about \$2.9 million in Virginia and about \$88.0 million Nationwide.

The Company is basing the requested increase on their Nationwide experience across all policy forms and industry studies. It is appropriate to include this information as a basis for future projections, and as a component of the review of historical experience for the form due to the low credibility of Virginia Only experience.

If approved, all policyholders would be offered the Contingent Benefit on Lapse offer, even though the requested amount would not trigger under the requirements of 14VAC5-200-150D and under 14VAC5-200-185D. It was noted that if the “full” increase of 56%, (based on best estimate assumptions) was requested, that policyholders with issue ages 63 and higher would be eligible. This would limit the offer to about 11% of policyholders.

## **Applicable Regulations and Requirements:**

This filing contains Pre- Rate stability policies (policies issued before October 1, 2003) which are subject to 14VAC5-200-150 which requires a lifetime loss ratio of the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus 80% applied to any premium increase for individual policy forms. The expected loss ratio must reflect policy reserves and present and accumulated values must be determined using an interest rate equal to the maximum valuation interest rate for the policy reserves.

## **Analysis – Methodology:**

Our approach was to a) review the filing materials for clarity; b) review the experience studies which support the revised assumptions vs. those initially filed; c) review the projections and

revised assumptions for reasonableness; d) analyze the current increase request as well as the “full” increase for compliance with Virginia regulations and fairness across benefit periods; and e) summarize cumulative rate increase actions in other states.

### **Review of Experience Studies and Resulting Revised Assumptions:**

#### **14VAC5-200-150 B 1 & B.3: Credibility of Experience & Experience and projected trends:**

The Virginia Only product specific block of business is relatively small with about \$12.8 million of accumulated premium and \$2.9 million of incurred claims. The Company uses their Nationwide experience from their entire block of individual long term care products to develop revised assumptions. We think this is appropriate as it uses more data and increases the credibility. Also, there is no reason to expect geographic differences in experience.

The Company stated the revised assumptions are current best estimate assumptions with no provision for moderately adverse experience and consistent with the basis of best estimate liability assumptions used in the 12/31/15 Asset Adequacy testing.

The Company relied upon Milliman to perform a review of the underwriting and claims practices of the products and provide adjusted morbidity assumptions based on the 2014 Guidelines. The Company then compared its experience to these assumptions reasonableness, but did not make any additional adjustments to reflect partial credibility of its data. Key items from this analysis are highlighted below. Termination (lapse and mortality) assumptions were based on the Company's own experience. The Company stated that *“the morbidity, lapse and mortality assumptions underlying this rate increase filing are consistent with the assumptions underlying our most recent Virginia new issue rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.”*

#### **Morbidity**

Morbidity experience was measured against the Milliman USA 2014 Long Term Care Guidelines. This is a proprietary source, but it is based on extensive industry experience (on \$18 billion of cash LTC insurance claims) and it recognizes various underwriting standards. This source was also used to project the future incurred claims. We are comfortable with this source.

The Company indicated its credibility measure is based on Limited Fluctuation theory and claim count. This method introduces a rule of 3,007 claims for full credibility. The 3,007 claims ensure that the observed claims are within  $\pm 3\%$  of the true claims with 90% confidence. The same analysis shows that 1,082 claims will ensure that the observed claims are within  $\pm 5\%$  of the true claims with 90% confidence. For this product, there were about 1,900 claims Nationwide, and 49 claims in Virginia. Using the 3,007 claims as the benchmark, the Company calculated the nationwide, multi-product claim experience by issue age grouping, duration and sex as less than 28% credible in any cell. Using the 1,082 claims as the benchmark, we calculated that the nationwide, multi-product claim experience would be 100% credible with cell level credibility up

to 47%. However, the majority of the experience is in claims incurred early durations (weighted average duration 5 years) and younger attained ages (weighted average attained age 58), with virtually no claims experience at attained ages 80+ where the bulk of claims are expected to occur. The Company did not believe it had a credible basis to modify the assumptions provided by Milliman. The Company performed Actual to Expected studies to validate at a high level that their overall morbidity assumption is reasonably in-line with emerging experience. The aggregate experience is validating at 105% of the current expected morbidity assumptions.

The study of actual to current Milliman (expected) showed the following ratios:

Exhibit 2: Incidence – overall A/E of 90% using current assumptions, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%’s in durations 1 to 3 to near 120% by duration 10+. The issue age block with most policies (50-59) has A/E of 70%. The majority of claims are in issue ages 60+, duration 10+;

Exhibit 7: Resolutions shows the A/E vs. the original pricing resolution assumptions at 45% vs. the current assumptions (Exhibit 5) A/E of 77%. This reflect 965 actual resolutions, fairly consistent across all claim months. Exposure is limited for claims extending past 18 months. The revised assumptions are a better representation of actual experience than the pricing assumptions. The use of these assumptions without modification could, however, understate future projected claims, and would have a larger impact on policies with longer benefit periods.

Exhibit 8: Utilization – overall A/E of 85% vs. current assumptions. As the A/E vs. pricing assumptions was 67%, the current assumptions reflect a better representation of emerging experience than initial assumptions.

Exhibit 4 shows the A/E vs. the original pricing incidence assumptions. Actual claims to date have not exceeded expectations and show a 95% overall A/E. Highly adverse experience has been in early durations (4-9) for very young issue ages (<50), with some adverse experience at attained ages 75+.

The morbidity analysis compared claims incidence, termination rates (“resolutions”) and utilization assumptions. Note that when interpreting A/E for these assumptions, the following relationships occur with respect to the total claim cost:

Assumption    A/E <100% impact

Incidence	favorable
Resolution	adverse
Utilization	favorable

No sensitivity testing of the assumptions was provided, but given the improved fit of current assumptions vs. pricing assumptions, and the aggregate A/E of 105%, we believe that the basis

for the revised morbidity assumption used in projections is accurately characterized as best estimate assumptions.

The Company indicated that claim reserves included margins (mid-single digit), but were not included in the derivation or validation of the morbidity assumptions. They are included in the historical experience, and were materially strengthened in 2012. The incurred claims reflects paid claims of about 44% of the total, with the reserve reflecting 56%. We estimated that the margin in the claim reserve was impacting the assumed historical incurred claims experience by up to 10% of the reserve. The adjusted historical loss ratio for this block, (after removing the margin) would therefore be 19% vs. 20%, and have an immaterial impact on the anticipated lifetime loss ratio.

#### Policy Terminations: Lapse & Mortality

##### Mortality

The mortality experience study was based primarily upon the Company's analysis of expected mortality for underwritten life policies that also purchased LTC policies. This reflected 120,000 policies, and about half of the inforce LTC block. This experience was supplemented by conducting life underwriting on a sampling of LTC only policyholders. The final assumption "ended up between the matched and unmatched policy analysis". Upon request, the company provided sample attained age mortality rates in comparison to a published mortality table. The Company mortality table includes ultimate mortality rates similar to about 75%-90% of the 1994 GAM. Mortality improvement is also assumed through attained age 105, but at a level less than that for the 2012 IAM projection scale G, and grade off at older attained ages. Use of future mortality improvement is reasonable.

The current best estimate assumption is significantly better than originally assumed in pricing (1983 IAM) which did not include mortality improvement. The impact is magnified to the extent the survivorship benefit was elected.

##### Lapse

The lapse assumption was set to result in an overall total termination assumption that was in-line with the overall total termination experience to date, given the mortality assumption described above. Although lapse assumptions are disclosed using select & ultimate rates, since the policies are all past duration 14, only ultimate rates are relevant to the projections. These lapse rates are assumed to be 0.5% for durations 9+ and based the Company's own experience for all LTC products from inception. The initial pricing ultimate lapse rate was 2.5%.

It should be noted that the actual aggregate total termination experience relative to original pricing assumptions is about 66%, with the majority of the high persistency in early durations is attributable to the mortality assumption (<33% A/E in duration <7). Later durations have A/E of about 25% for lapse rates and 50% for mortality relative to original assumptions.

Assuming full credibility at 400 events, total termination rates are only partially credible at later durations (13+). The A/E ratios are stable for durations before and after this breakpoint. No concerns arose from the use of these assumptions.

#### Interest Rates

The loss ratio calculations use an interest rate which reflects the weighted average maximum valuation interest rate for the issue years of the product of 4.5%. This rate is reflective of the issue dates from 2002-2003.

#### Active Life Reserves (ALR):

The Company provided the active life reserves on a statutory basis that included a morbidity margins of 20%-25% of the pricing claim costs, varying by issue age and a discount rate of 4.0% instead of the maximum of 4.5%. As of 12/31/15, the active life reserve on this basis for the Nationwide policies was \$263.2 million and \$5.9 million for the Virginia Only policies, and is conservative relative to statutory minimum requirements.

#### Other Assumptions:

Based on prior policyholder behavior experience, the projections reflect 90% of eligible policies will continue to purchase additional coverage. Given that 68% of in force policies use this option for increasing benefits, this assumption is material to the projection of future benefits and premiums.

The projections do not include any shock lapses, election of contingent benefit on lapse, or corresponding anti-selection. This is a not a material consideration as industry election rates of contingent benefits on lapse or lapses upon rate increase are less than 5%. We are comfortable that the projections are not materially distorted by excluding these assumptions.

Waived premiums are included in earned premium and incurred claims for historical experience, but are only are included in incurred claims projections. Although this slightly overstates future and lifetime loss ratios, the Company *“did not believe this impacts our rate increase request, since we did not request the full amount we could actuarially justify”*.

#### Margins:

The Company indicated that no provision for moderately adverse experience was included in the calculations. As indicated in the discussion of the morbidity assumptions above, the determination of historical claims included claim reserve estimates with margins, and future waived premiums also result in overstating the projected incurred claims. For purposes of the analyses below, we estimated the impact of these items as overstating the future claims by 4%.

#### Changes in distribution:

Section 10.F outlines the initial expected vs. actual distribution of in force policies. It was noted that several measures of distribution were materially different than expected. A younger average issue age (5-10 years younger); and three times as many elections of the Automatic Benefit Increase option (5% expected vs, 15% actual) offset by the assumption that 25% would have no indexing option.

We asked the company to restate the initial aggregate pricing loss ratio to reflect the actual distribution but they indicated that system limitations prevented this. Given this limitation, I have performed the loss ratio tests assuming a stressed assumption, assuming that these high volumes cells were potentially underpriced, resulting in an aggregate pricing loss ratio of 80%.

### **Financial Projections**

We reviewed the financial projections. We were able to exactly match the accumulated value calculations of the historical experience and the present value calculation of the projected experience when all projection years (through 2096) were displayed. It should be noted that although the block is limited to sales prior to 10/1/03, historical and projected premiums continue to increase due to the high proportion of the policies that include future purchase options.

Data Limitations: It was noted that the projected premium reflected anomalies (negatives and trend breaks) in years after 2065 and the projected incurred claims in years after 2070. These modeling results are not material to the analysis due to the discounting factors to the date of the analysis (2015).

The projections are sensitive to two key assumptions – slope of the incurred claims and persistency of the block. We reviewed the trends in projected premiums, claims, and loss ratios over the projection period. The following trends were noted:

- Premium Persistency is in line with the assumed mortality and lapse rates adjusted for Additional Purchase options.
- The slope in the Company's loss ratio projections is consistent with expectations, starting near 10% during the first 20 projection years while automatic options are still being purchased, then reducing to about 5% annually.

We also reviewed the reasonableness of the initial projected premiums and claims (for 2016 & 2017) relative to the recent prior years' actual values. We found the starting period premiums and claims and loss ratios to be reasonable given the assumptions outlined and prior trend in incurred claims in the Nationwide projections. The Virginia Only block projected claims on a basis consistent with the Nationwide experience, and therefore did not reflect the recent substantially higher claims in the historical Virginia Only experience.

We compared the premiums with and without the premium increase. Our review indicated that the rate increase was modeled with an assumed start date in 2017 anniversaries.

Although waiver of premium benefits were indicated to be included in both historical premiums and claims, the methodology to reflect premiums increases did not impact projected incurred claims. The claims projection “with rate increase” therefore did not vary from those without rate increase.

### **Loss Ratio Requirements: 14 VAC5-200-150**

#### **Original Lifetime Loss Ratio:**

The Original anticipated lifetime loss ratio, when the product was filed, was indicated by the Company to be 61%. This assumed a discount rate of 6.0%.

14VAC5-200-150.B requires that **the original lifetime loss ratio be restated using the maximum valuation interest rate. The Company indicated that the recalculated loss ratio was equal to 67% if using all original assumptions with the exception of substituting the valuation interest rate.** The Company **did not** provide a revised calculation of the initial loss ratio using the actual distribution of business issued citing system limitation. The stressed 80% anticipated loss ratio is also considered in the following analysis.

#### **Projected Expected Loss Ratios:**

Projections and loss ratios are presented on a “Virginia Rate basis” and the maximum valuation interest rate of 4.5%. No rate increases from other states are reflected in the historical or projected premiums.

#### **Nationwide:**

##### **a) Historical**

- As reported by Company: 69.4% (with ALR)                      19.8% (without ALR)
- Adjusted to remove 10% margin in claim reserve: 68.3% (with ALR) 18.7% (without ALR)

##### **b) Future:**

- As reported by Company :
  - No rate increase: 127.2% (with ALR)                      173.5% (without ALR)
  - With requested increase: 101.0% (with ALR)                      137.7% (without ALR)
- Adjusted for 4% claims overstatement due to waiver of premium:
  - No rate increase: 120.3% (with ALR)                      166.5% (without ALR)
  - With requested increase: 95.5% (with ALR) 132.2% (without ALR)

##### **c) Lifetime, using filed assumptions:**

- As reported by Company:
  - No rate increase: 99.3%                      With requested increase: 87.5%
- Adjusted for claims overstatement/margins:
  - No rate increase: 95.2%                      With requested increase: 83.9%



- Adjusted to reflect a 56% average increase in future premiums: 74.7%

Virginia Only: (no adjustments calculated, as they were not material to the Nationwide results)

a) Historical

- As reported by Company: 69.1% (with ALR) 22.8% (without ALR)

b) Future:

- As reported by Company:
  - No rate increase: 122.9% (with ALR) 169.5% (without ALR)
  - With increase: 97.2% (with ALR) 134.1% (without ALR)

c) Lifetime, using filed assumptions:

- As reported by Company:
  - No rate increase: 95.9% With increase: 84.8%

- Adjusted to reflect a 56% average increase in future premiums: 75.9%

**The future loss ratio, adjusted to reflect both the margin in the projected claims and the ALR, exceeds 90% even with the use of conservative ALR. The requested increase complies with the requirements 14VAC5-200-150B.**

**The Lifetime loss ratio projected by the Company is near 85% for both Nationwide and for Virginia Only after applying the requested rate increase. After removing possible margins, the Lifetime loss ratios would decrease about 4%, but still exceed 80%. Although the Company indicates that a 56% increase would be sufficient if the current assumptions develop, the Lifetime loss ratio, using the valuation discount rate would still exceed 75%.**

**Loss Ratio Test assuming requested rate increase:**

**14VAC5-200-150.B:** (replace 60% with Original lifetime loss ratio, if greater)

Nationwide basis:

$$\begin{aligned} \text{Minimum lifetime claims} &= 67\% \text{ of Original Premiums} + 80\% \text{ Increased premiums} \\ &= .67 * \$1,099,398,879 + .80 * \$147,875,953 = \$854,898,011 \end{aligned}$$

Actual + Projected Claims:

- As reported by Company: \$1,091,931,578 = PASS
- Adjusted to remove margins in historical and projected claims: \$1,046,556,709 = PASS

Virginia Only basis:

$$\begin{aligned}\text{Minimum lifetime claims} &= 67\% \text{ of Original Premiums} + 80\% \text{ Increased premiums} \\ &= .67 * \$25,449,212 + .80 * \$3,348,218 = \$19,729,546\end{aligned}$$

Actual + Projected Claims:

- As reported by Company: \$24,409,561 = PASS
- Adjusted to remove margins in historical and projected claims: \$23,258,891 = PASS

**Using original loss ratio of 67 % and modified to remove the claims margin, the Nationwide and Virginia Only expected claims exceed those allowed by 14VAC5-200-150. Given that the requested increase (or the 56% increase) only reduced the anticipated lifetime loss ratio to about 75%, additional stress testing was not conducted.**

**Other Considerations:**

Reasonableness of initial pricing assumptions:

The assumptions underlying the initial rates were reviewed for reasonableness for the era when pricing occurred.

- The underlying basis for the initial morbidity assumptions were based on a combination of the Milliman & Roberson Internal Guidelines for Long Term Care and various other studies available at that time. The change in the slope from the initial assumptions to the current assumptions is consistent with industry trends in that early duration experience has been better than expected which would be expected to result in higher later duration claims. Although utilization has also been favorable, claim terminations rates have been unfavorable. Claim costs at a sample of ages using initial pricing assumptions are included in Appendix II and can be compared to similar claims costs resulting from current assumptions in Appendix I. The ratios are displayed in Appendix III. These exhibits show that absent changes to assumptions related to future persistency, a material increase in future claims at ages 75+ is expected for benefit periods of 6 or more years. For the 3 year benefit period, no increase is expected until attained ages 85+. This exhibit also supports the variation in the requested rate increase by benefit period.
- Mortality assumptions used in the initial filing were based on the 1983 IAM table with no projection which would have been a common table at that time, as it was the current reserve mortality basis. No future mortality improvement was included. Mortality assumptions are now about 40% less than the prior assumptions for the ultimate mortality durations, before applying continued mortality improvement to 2029. Increased persistency produces higher expected future loss ratios.
- Original lapse rates used in the initial filing started at 4.0% and graded down to an ultimate level of 2.5% by duration 10. Current projections assume a 0.5% lapse rate. Increased persistency produces higher expected future loss ratios absent any other assumption changes.

Lifetime Loss ratio projection using premiums on “requested” increase basis for all years:

The Company provided an exhibit of the lifetime loss ratio reflecting the impact of applying the requested rate increase to historical and future premiums. This modified the historical loss ratio to 15.5%. The future loss ratio is 136.1% resulting in a lifetime loss ratio of 78.0%. These figures are those reported by the Company, and not adjusted for the possible claims margins. On a pricing discount rate basis of 6.0%, the lifetime loss ratio assuming the requested premiums were in place since issue is 64.1%. Both of these loss ratios supports the conclusion that, after inclusion of the requested increase, benefits are reasonable in relationship to the requested premium levels.

A similar analysis, but reflecting the 56% rate increase to all years and the valuation interest rate discount rate, results in an anticipated lifetime loss ratio of 63.7%.

#### Comparison to Current New Business rates:

The filing includes a comparison of the proposed rates to the current new business rates.[ Premium Rate Compare RS pre rate after increase to UU2016(1014)Rev (VA).pdf] This comparison shows that after the increase, the RS.LTC.(1101) revised premium rates are lower than the UU.LTC(1014)Rev new business premium rates for all policy types and issue ages. For the plans with no Automatic Benefit Increases, the increased rates range from about 50% of new rates at the youngest issue age band (40) to about 70% at the oldest issue ages. For the plans with Automatic Benefit increases, the youngest issue age rates, after the requested increase are only about 35% of new business rates. For this plan, as issue ages increase, the gap in rates narrows such that the rates at the oldest issue ages are about 80% of similar new business rates. Further, the exhibit shows that the rate relativities are similar for the 3-year and 6-year benefit period, even though different levels of rate increase are reflected. Assuming that current rates reflect the same ratio of expected benefits to premium, this exhibit provides support for the variation in rate increase by benefit period.

Since the “full” rate increase of 56% is about 28% higher than requested, it is expected that rates for most cells could be increased without being capped by the new business rates.

**If the Bureau requests implementation of a higher rate increase than requested, it is recommended that consideration of higher rate increases for Automatic Benefit Increase Options be included, so as to provide for a more similar pattern of revised rates to new business rates.**

#### Rate increases approved in other states:

We reviewed the status of approvals in other states Per the State Filing Grid as of 2/22/17. This grid included Annualized premium for the form, and is not split by pre vs. post rate stability regulation dates. The Company has business in force in 51 jurisdictions. To date they have received approvals or accepted increases in 27 states representing 40% of the in force premium. The weighted average rate increase approved for these states is slightly less than requested and varies with the Benefit period as requested: 3-year BP = 10%; 6-year BP = 23%; Lifetime BP = 26%. Four of the jurisdictions required phase in of the 6-year and lifetime BP rate increases over a 2 or 3 year period. Five others limited the increase for the 6-year and lifetime BP to 15% or 20%. Filings were not yet submitted in six states, representing 22% of premium. The pending filings (18 states, 38% of premium) indicate the same increases were requested as in Virginia with the

exception of 2 states. One state reflects a 15% cap. The other lists ranges of increase, where the lower end of the range is similar to that requested, with exception for the lifetime benefit period where the pending increase exceeds 60%.

## **Conclusions**

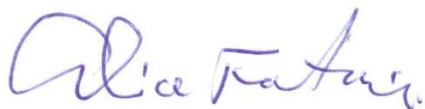
14VAC-200-150 B requires the accumulated value of incurred claims and the present value of future projected claims will not be less than the sum of the accumulated value of the initial earned premium and present value of future projected premiums prior to application of the increases times the original loss ratio (67%) and 80% of the present value of future projected premiums in excess of the original premium level. The Future anticipated Loss ratios, after consideration of the contract reserves, should also exceed the original loss ratio. The projections are to be on a best estimate basis and not include explicit margins. The Company's projections appear to include some implicit margins, but adjusting for these possible margins does not invalidate the compliance of the requested increase with the requirements.

We recommend that the Bureau approve either the requested increase. Alternatively, the full increase which averages of 56%, limited to new business rates, is also compliant with the requirements of 14VAC5-200-150B.

## **Reliance and Qualification**

The purpose of this document is to communicate our review of this filing. The use of this report by parties outside of the Virginia Bureau of Insurance is unauthorized. Outside parties rely on this report at their own risk.

Our conclusions are based on information supplied by Northwestern Long Term Care Insurance Company both in the initial filing and in their response to our questions. All correspondence is included in SERFF. This information was not verified, but we did review it for consistency and reasonableness. If any information was inaccurate, it may require us to revise our conclusions and opinions.



Sincerely,

Alice Fontaine, FSA, FCIA, MAAA

State: Virginia Filing Company: Northwestern Long Term Care Insurance Company  
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified  
Product Name: 2016 LTC Risk Mitigation  
Project Name/Number: 2016 LTC Risk Mitigation/2016 LTC Risk Mitigation

## Post Submission Update Request Processed On 10/30/2017

Status: Allowed  
Created By: Annette HuttI  
Processed By: Janet Houser  
Comments:

### Company Rate Information:

Company Name:Northwestern Long Term Care Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	68.000%	27.000%

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Electronic
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Northwestern Long Term Care Insurance Company	68.000%	27.000%	\$164,729	238	\$610,107	30.000%	0.000%

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates for RS.LTC.(1101)	RS.LTC.(1101)	Revised	Previous State Filing Number: Percent Rate Change Request: 27	RATE TABLES Update RS pre rate (VA).pdf,

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	40.20	53.50	66.40	154.60	224.80	300.70	2.10	4.90	10.30
41	41.80	55.90	69.40	155.50	226.00	302.30	2.30	5.10	10.80
42	43.70	58.40	72.50	156.30	227.10	303.70	2.40	5.40	11.30
43	45.50	60.90	75.80	157.20	228.40	305.00	2.50	5.90	11.80
44	47.50	63.60	79.20	158.00	229.40	306.30	2.60	6.10	12.50
45	49.50	66.50	82.80	158.70	230.30	307.30	2.90	6.40	13.00
46	51.70	69.40	86.60	159.40	231.30	308.40	3.00	6.90	13.70
47	53.90	72.50	90.50	160.10	232.00	309.30	3.20	7.10	14.30
48	56.20	75.80	94.50	160.70	232.60	310.10	3.40	7.50	15.10
49	58.60	79.10	98.80	161.30	233.30	310.70	3.60	8.00	15.90
50	61.20	82.60	103.40	161.70	233.90	311.20	3.90	8.40	16.50
51	63.80	86.30	108.00	162.00	234.30	311.60	4.10	8.90	17.30
52	66.60	90.10	112.80	162.40	234.50	312.30	4.30	9.40	18.20
53	69.40	94.10	118.00	162.70	234.80	312.80	4.50	9.90	19.00
54	72.50	98.30	123.40	162.80	234.90	313.30	4.70	10.50	19.90
55	75.60	102.60	128.80	162.90	235.00	313.80	5.10	11.10	20.90
56	80.10	108.80	136.60	164.80	237.50	314.90	5.40	11.90	22.20
57	84.80	115.40	145.00	166.70	240.00	317.90	5.80	12.60	23.40
58	89.90	122.30	153.70	168.40	242.40	320.80	6.30	13.60	24.80
59	95.30	129.60	162.90	170.00	244.50	323.40	6.60	14.50	26.40
60	101.00	137.40	172.80	171.40	246.50	325.80	7.00	15.50	28.00
61	107.80	146.80	184.60	174.20	250.40	330.60	7.60	16.60	29.80
62	115.10	156.80	197.10	176.90	254.00	335.30	8.30	17.90	31.90
63	122.80	167.40	210.60	179.50	257.50	339.60	8.90	19.30	33.90
64	131.00	178.80	224.90	181.80	260.80	343.60	9.70	20.80	36.30
65	139.90	190.90	240.20	184.00	263.80	347.20	10.30	22.40	38.70
66	154.30	210.60	265.10	192.50	275.90	363.10	11.60	24.90	42.80
67	170.20	232.40	292.50	201.20	288.40	379.20	13.00	27.60	47.20
68	187.80	256.30	322.80	209.90	301.00	395.50	14.30	30.90	52.10
69	207.10	282.80	356.20	218.60	313.60	411.80	16.00	34.30	57.60
70	228.40	312.00	393.10	227.50	326.30	428.20	17.90	38.00	63.40
71	252.60	344.80	434.60	237.60	341.30	447.60	19.90	42.40	70.20
72	279.20	381.00	480.40	243.30	356.10	467.20	22.30	47.30	77.70
73	308.80	421.10	531.10	246.20	371.10	486.70	24.80	52.50	85.90
74	335.10	465.50	587.00	250.90	385.90	506.40	27.20	58.40	95.00
75	343.10	514.40	649.00	252.50	400.50	525.30	28.10	65.00	105.00
76	372.80	558.10	704.30	259.80	412.80	542.00	30.80	71.10	114.30
77	405.00	605.50	764.40	267.00	424.80	558.40	33.80	77.80	124.40
78	439.90	656.90	829.70	273.90	436.40	574.10	37.10	85.00	135.50
79	477.90	712.60	900.50	280.20	447.40	589.30	40.80	93.00	147.40



# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care  
46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	519.20*	773.10*	977.30*				44.70*	101.60*	160.40*
81	557.30*	827.80*	1,046.50*				48.30*	109.60*	172.40*
82	598.10*	886.30*	1,120.60*				52.40*	118.30*	185.10*
83	641.90*	948.90*	1,200.00*				56.80*	127.40*	198.80*
84	689.00*	1,016.00*	1,284.90*				61.40*	137.30*	213.60*
85	739.40*	1,087.80*	1,375.90*				66.50*	148.10*	229.50*
86	776.60*	1,139.30*	1,441.40*				70.10*	155.40*	240.40*
87	815.60*	1,193.30*	1,510.20*				73.90*	163.00*	251.70*
88	856.60*	1,249.80*	1,582.10*				77.90*	171.00*	263.60*
89	899.60*	1,309.00*	1,657.50*				82.10*	179.40*	276.10*
90	944.80*	1,371.00*	1,736.40*				86.50*	188.30*	289.40*
91	978.30*	1,418.00*	1,798.80*				89.80*	195.00*	300.60*
92	1,013.10*	1,466.60*	1,863.40*				93.00*	202.00*	312.10*
93	1,049.00*	1,517.00*	1,930.40*				96.50*	209.10*	324.20*
94	1,086.20*	1,569.00*	1,999.70*				100.20*	216.50*	336.70*
95	1,124.80*	1,622.80*	2,071.40*				103.80*	224.40*	349.80*
96	1,160.80*	1,677.40*	2,148.60*				107.20*	232.90*	364.90*
97	1,197.90*	1,733.80*	2,228.60*				110.80*	241.80*	380.90*
98	1,236.20*	1,792.00*	2,311.70*				114.50*	251.10*	397.30*
99	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
100	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
101	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
102	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
103	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
104	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
105	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
106	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
107	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
108	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
109	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*
110	1,275.80*	1,852.40*	2,397.70*				118.20*	260.50*	414.60*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care  
46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	32.50	41.60	50.20	121.70	173.90	228.80	2.00	4.10	7.00
41	33.80	43.50	52.40	122.40	174.90	230.20	2.10	4.30	7.40
42	35.20	45.40	54.70	123.20	176.00	231.70	2.20	4.50	7.80
43	36.60	47.30	57.20	124.00	177.00	233.00	2.30	4.80	8.20
44	38.20	49.40	59.70	124.70	177.90	234.30	2.40	5.00	8.70
45	39.70	51.50	62.40	125.40	178.90	235.30	2.60	5.30	9.10
46	41.40	53.60	65.10	126.10	179.90	236.50	2.80	5.60	9.60
47	43.00	56.00	68.10	126.70	180.60	237.50	3.00	5.90	10.10
48	44.80	58.40	71.10	127.40	181.40	238.40	3.20	6.30	10.70
49	46.60	60.90	74.40	127.90	182.10	239.30	3.30	6.60	11.20
50	48.60	63.50	77.60	128.40	182.80	240.10	3.40	6.90	11.80
51	50.60	66.30	81.10	128.80	183.40	240.80	3.60	7.30	12.50
52	52.70	69.00	84.80	129.30	183.90	241.30	3.90	7.80	13.10
53	54.90	72.00	88.50	129.60	184.40	241.80	4.10	8.10	13.80
54	57.10	75.10	92.40	130.00	184.60	242.20	4.40	8.60	14.60
55	59.50	78.40	96.60	130.10	184.90	242.50	4.50	9.00	15.20
56	63.00	83.00	102.40	132.00	187.60	245.80	4.80	9.80	16.40
57	66.70	88.10	108.80	133.90	190.00	249.10	5.30	10.30	17.30
58	70.60	93.40	115.40	135.50	192.40	252.20	5.50	11.00	18.50
59	74.70	99.00	122.50	137.30	194.80	255.20	5.90	11.60	19.60
60	79.10	105.00	130.00	138.80	196.90	258.10	6.40	12.40	20.90
61	84.50	112.30	139.10	141.60	200.80	262.90	6.80	13.40	22.40
62	90.20	120.00	148.90	144.20	204.50	267.70	7.40	14.40	23.90
63	96.30	128.30	159.30	146.70	208.10	272.20	7.90	15.50	25.60
64	102.90	137.10	170.30	149.20	211.60	276.80	8.50	16.60	27.40
65	109.80	146.50	182.30	151.60	215.00	280.90	9.10	18.00	29.40
66	121.20	162.00	201.50	159.20	225.80	295.10	10.20	20.00	32.60
67	133.90	179.00	223.00	166.90	236.90	309.40	11.30	22.40	36.00
68	147.70	197.90	246.60	174.90	248.10	324.10	12.80	24.90	39.90
69	163.10	218.60	272.70	182.90	259.80	339.20	14.20	27.80	44.20
70	180.20	241.80	301.60	191.10	271.30	354.40	15.70	30.80	49.00
71	199.50	267.80	334.40	200.20	284.50	371.70	17.60	34.40	54.30
72	221.00	296.60	370.60	205.60	297.80	389.40	19.60	38.30	60.30
73	244.80	328.50	410.80	208.70	311.30	407.20	21.90	42.80	67.00
74	266.20	364.00	455.40	213.40	324.60	425.00	23.90	47.50	74.40
75	273.00	403.10	504.80	215.50	338.10	442.80	24.70	53.00	82.60
76	297.00	438.40	549.30	222.00	348.60	457.00	27.10	58.00	90.00
77	323.20	476.60	597.50	228.20	358.90	471.10	29.60	63.50	98.20
78	351.60	518.30	650.10	234.30	368.80	484.60	32.50	69.50	107.00
79	382.60	563.50	707.30	239.80	378.10	497.80	35.50	76.00	116.60

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

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\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care  
46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	416.30*	612.60*	769.50*				38.90*	83.30*	127.30*
81	447.40*	657.40*	825.90*				42.10*	90.00*	137.00*
82	480.80*	705.40*	886.50*				45.50*	97.10*	147.40*
83	516.70*	756.90*	951.50*				49.30*	104.90*	158.70*
84	555.40*	812.30*	1,021.20*				53.20*	113.10*	171.00*
85	596.90*	871.50*	1,096.00*				57.60*	122.30*	184.00*
86	628.00*	915.40*	1,151.90*				60.70*	128.50*	193.30*
87	660.80*	961.50*	1,210.70*				63.90*	135.10*	203.20*
88	695.30*	1,009.90*	1,272.40*				67.30*	142.10*	213.50*
89	731.60*	1,060.80*	1,337.30*				70.80*	149.50*	224.40*
90	769.80*	1,114.30*	1,405.60*				74.60*	157.10*	235.80*
91	799.00*	1,155.40*	1,460.00*				77.30*	163.10*	245.60*
92	829.30*	1,198.10*	1,516.70*				80.10*	169.10*	255.70*
93	860.80*	1,242.50*	1,575.60*				83.00*	175.40*	266.20*
94	893.40*	1,288.40*	1,636.70*				86.10*	182.00*	277.30*
95	927.30*	1,336.10*	1,700.30*				89.20*	188.80*	288.70*
96	958.60*	1,383.10*	1,765.90*				92.30*	196.00*	301.60*
97	991.00*	1,431.90*	1,834.20*				95.50*	203.50*	315.00*
98	1,024.50*	1,482.40*	1,905.00*				98.70*	211.30*	329.00*
99	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
100	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
101	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
102	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
103	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
104	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
105	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
106	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
107	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
108	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
109	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*
110	1,059.10*	1,534.60*	1,978.60*				102.10*	219.30*	343.70*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	34.90	46.50	57.70	134.40	195.50	261.60	1.90	4.30	9.00
41	36.40	48.60	60.30	135.20	196.50	262.90	2.00	4.40	9.40
42	38.00	50.80	63.10	136.00	197.50	264.00	2.10	4.80	9.90
43	39.60	53.00	65.90	136.70	198.50	265.20	2.20	5.00	10.40
44	41.30	55.40	68.90	137.40	199.40	266.20	2.40	5.30	10.80
45	43.10	57.80	72.00	138.10	200.30	267.30	2.40	5.60	11.30
46	45.00	60.40	75.30	138.60	201.00	268.10	2.60	5.90	12.00
47	46.90	63.00	78.70	139.30	201.80	269.00	2.90	6.30	12.50
48	49.00	65.90	82.30	139.70	202.40	269.50	2.90	6.50	13.00
49	51.00	68.80	85.90	140.10	202.90	270.10	3.10	7.00	13.80
50	53.20	71.90	89.80	140.60	203.30	270.70	3.30	7.30	14.40
51	55.60	75.00	93.90	140.90	203.80	271.10	3.40	7.80	15.10
52	57.90	78.40	98.20	141.20	204.00	271.60	3.70	8.10	15.90
53	60.40	81.90	102.60	141.40	204.10	272.10	4.00	8.60	16.60
54	63.00	85.50	107.30	141.50	204.10	272.60	4.10	9.10	17.30
55	65.80	89.30	112.10	141.60	204.10	273.10	4.30	9.60	18.20
56	69.60	94.60	118.80	143.30	206.50	273.80	4.70	10.30	19.20
57	73.80	100.30	126.00	144.90	208.80	276.50	5.00	11.10	20.40
58	78.20	106.40	133.60	146.40	210.60	279.00	5.40	11.80	21.60
59	82.80	112.80	141.70	147.80	212.60	281.20	5.80	12.50	22.90
60	87.80	119.50	150.30	149.10	214.40	283.30	6.20	13.50	24.20
61	93.70	127.60	160.60	151.50	217.80	287.40	6.60	14.50	25.90
62	100.00	136.30	171.50	153.90	221.00	291.50	7.30	15.60	27.60
63	106.80	145.50	183.00	156.00	224.00	295.40	7.70	16.90	29.60
64	114.00	155.40	195.50	158.10	226.90	298.90	8.40	18.10	31.60
65	121.70	166.00	208.90	160.10	229.40	301.90	9.00	19.40	33.70
66	134.20	183.10	230.50	167.40	240.00	315.80	10.00	21.60	37.20
67	148.10	202.00	254.40	174.90	250.80	329.70	11.20	24.10	41.00
68	163.20	222.90	280.70	182.50	261.80	343.90	12.50	26.80	45.40
69	180.10	245.90	309.80	190.20	272.80	358.00	14.00	29.80	50.10
70	198.70	271.30	341.80	197.80	283.80	372.50	15.50	33.10	55.30
71	219.60	299.90	377.90	206.70	296.60	389.20	17.40	36.80	61.10
72	242.80	331.40	417.70	211.60	309.60	406.30	19.40	41.00	67.60
73	268.50	366.30	461.80	214.10	322.60	423.30	21.60	45.60	74.80
74	291.50	404.80	510.50	218.20	335.60	440.20	23.50	50.80	82.60
75	298.40	447.40	564.30	219.50	348.30	456.80	24.40	56.50	91.30
76	324.10	485.30	612.40	226.00	359.00	471.30	26.80	61.90	99.50
77	352.10	526.50	664.70	232.20	369.40	485.40	29.40	67.60	108.30
78	382.60	571.30	721.50	238.10	379.40	499.20	32.20	73.90	117.80
79	415.60	619.80	783.00	243.60	389.00	512.50	35.40	80.80	128.20

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	451.50*	672.30*	849.80*				38.80*	88.50*	139.50*
81	484.60*	719.80*	910.00*				42.10*	95.40*	149.90*
82	520.10*	770.60*	974.50*				45.50*	102.90*	160.90*
83	558.20*	825.10*	1,043.50*				49.30*	110.80*	172.90*
84	599.10*	883.40*	1,117.40*				53.40*	119.50*	185.80*
85	643.00*	945.90*	1,196.50*				57.80*	128.80*	199.40*
86	675.30*	990.60*	1,253.50*				61.00*	135.10*	208.90*
87	709.20*	1,037.60*	1,313.10*				64.30*	141.80*	218.90*
88	744.80*	1,086.80*	1,375.80*				67.80*	148.80*	229.20*
89	782.30*	1,138.30*	1,441.30*				71.40*	156.00*	240.10*
90	821.60*	1,192.10*	1,510.00*				75.20*	163.80*	251.60*
91	850.70*	1,233.00*	1,564.20*				78.10*	169.60*	261.30*
92	880.90*	1,275.40*	1,620.30*				81.00*	175.60*	271.40*
93	912.20*	1,319.10*	1,678.60*				83.90*	181.80*	282.00*
94	944.60*	1,364.40*	1,738.90*				87.00*	188.30*	292.80*
95	978.10*	1,411.10*	1,801.30*				90.30*	195.00*	304.20*
96	1,009.40*	1,458.60*	1,868.40*				93.30*	202.50*	317.30*
97	1,041.70*	1,507.60*	1,937.90*				96.30*	210.30*	331.20*
98	1,075.00*	1,558.40*	2,010.10*				99.50*	218.30*	345.50*
99	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
100	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
101	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
102	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
103	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
104	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
105	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
106	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
107	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
108	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
109	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*
110	1,109.40*	1,610.80*	2,084.90*				102.80*	226.60*	360.50*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	28.20	36.30	43.60	105.80	151.10	199.00	1.80	3.50	6.20
41	29.40	37.80	45.50	106.50	152.10	200.30	1.80	3.80	6.50
42	30.60	39.40	47.60	107.10	153.10	201.40	1.90	4.00	6.90
43	31.80	41.10	49.70	107.90	153.90	202.70	2.10	4.10	7.30
44	33.10	42.90	52.00	108.60	154.80	203.60	2.20	4.40	7.50
45	34.50	44.80	54.20	109.10	155.60	204.80	2.30	4.60	8.10
46	36.00	46.60	56.70	109.70	156.40	205.70	2.40	4.90	8.30
47	37.40	48.60	59.20	110.20	157.10	206.60	2.50	5.10	8.80
48	38.90	50.80	61.90	110.80	157.80	207.40	2.80	5.40	9.20
49	40.60	52.90	64.60	111.20	158.40	208.10	2.90	5.80	9.80
50	42.20	55.30	67.50	111.70	158.90	208.80	3.10	6.00	10.30
51	44.00	57.60	70.50	112.10	159.40	209.40	3.20	6.40	10.90
52	45.90	60.00	73.70	112.30	160.00	209.80	3.30	6.80	11.30
53	47.70	62.60	77.00	112.80	160.30	210.30	3.50	7.10	12.00
54	49.70	65.40	80.30	113.00	160.50	210.70	3.70	7.40	12.70
55	51.70	68.10	84.00	113.30	160.80	210.90	4.10	7.90	13.30
56	54.80	72.30	89.20	114.80	163.00	213.70	4.30	8.40	14.00
57	58.00	76.60	94.60	116.40	165.30	216.60	4.50	8.90	15.00
58	61.40	81.30	100.40	117.90	167.30	219.30	4.80	9.50	16.00
59	65.00	86.10	106.60	119.40	169.30	221.80	5.20	10.10	17.00
60	68.80	91.30	113.10	120.80	171.30	224.30	5.50	10.90	18.10
61	73.50	97.60	120.90	123.10	174.50	228.70	5.90	11.60	19.50
62	78.40	104.30	129.40	125.40	177.90	232.80	6.40	12.60	20.80
63	83.70	111.50	138.50	127.60	181.00	236.70	6.90	13.50	22.20
64	89.40	119.30	148.10	129.70	184.00	240.60	7.40	14.50	23.90
65	95.50	127.40	158.50	131.80	187.00	244.30	7.90	15.80	25.50
66	105.40	140.90	175.20	138.40	196.30	256.60	8.90	17.40	28.30
67	116.40	155.60	193.80	145.10	206.00	269.10	9.90	19.50	31.30
68	128.50	172.00	214.40	152.00	215.90	282.00	11.10	21.60	34.70
69	141.90	190.10	237.10	159.10	225.90	295.00	12.30	24.10	38.50
70	156.60	210.10	262.30	166.20	236.00	308.10	13.80	26.90	42.50
71	173.50	232.90	290.70	174.10	247.40	323.30	15.30	29.90	47.30
72	192.20	257.90	322.30	178.80	259.00	338.50	17.10	33.40	52.50
73	212.90	285.80	357.20	181.50	270.60	354.00	19.00	37.10	58.20
74	231.40	316.50	396.00	185.60	282.40	369.60	20.80	41.40	64.60
75	237.40	350.60	439.00	187.40	294.00	384.90	21.40	46.00	71.60
76	258.30	381.30	477.60	193.00	303.10	397.40	23.50	50.40	78.30
77	281.00	414.50	519.60	198.50	312.00	409.60	25.80	55.10	85.30
78	305.80	450.60	565.20	203.60	320.60	421.60	28.20	60.50	93.10
79	332.70	490.00	615.00	208.50	328.90	432.90	30.90	66.10	101.50

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	362.00*	532.80*	669.10*				33.80*	72.40*	110.80*
81	389.00*	571.60*	718.10*				36.60*	78.30*	119.20*
82	418.10*	613.40*	770.80*				39.60*	84.50*	128.30*
83	449.30*	658.30*	827.30*				42.90*	91.10*	138.10*
84	482.90*	706.30*	888.00*				46.30*	98.50*	148.60*
85	519.00*	757.90*	953.20*				50.10*	106.30*	159.90*
86	546.10*	796.00*	1,001.80*				52.80*	111.80*	168.00*
87	574.60*	836.10*	1,052.90*				55.60*	117.50*	176.50*
88	604.60*	878.30*	1,106.40*				58.50*	123.50*	185.60*
89	636.20*	922.40*	1,162.90*				61.60*	130.00*	195.10*
90	669.40*	968.90*	1,222.30*				64.80*	136.60*	205.00*
91	694.80*	1,004.80*	1,269.60*				67.20*	141.80*	213.60*
92	721.20*	1,041.90*	1,318.90*				69.60*	147.00*	222.40*
93	748.50*	1,080.40*	1,370.10*				72.20*	152.60*	231.50*
94	776.90*	1,120.40*	1,423.20*				74.80*	158.30*	241.20*
95	806.40*	1,161.90*	1,478.50*				77.50*	164.10*	251.00*
96	833.60*	1,202.80*	1,535.60*				80.20*	170.40*	262.30*
97	861.70*	1,245.10*	1,595.00*				83.10*	177.00*	273.90*
98	890.80*	1,289.00*	1,656.60*				85.90*	183.80*	286.10*
99	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
100	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
101	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
102	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
103	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
104	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
105	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
106	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
107	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
108	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
109	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*
110	920.90*	1,334.50*	1,720.60*				88.80*	190.60*	298.90*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	31.70	42.40	52.50	122.30	177.90	238.00	1.70	3.90	8.20
41	33.10	44.30	54.90	123.00	178.90	239.20	1.80	4.00	8.60
42	34.50	46.10	57.30	123.80	179.80	240.20	1.90	4.40	9.00
43	36.10	48.30	59.90	124.40	180.60	241.30	2.00	4.50	9.50
44	37.50	50.40	62.70	125.10	181.40	242.30	2.20	4.80	9.90
45	39.30	52.50	65.50	125.60	182.30	243.20	2.20	5.10	10.30
46	40.90	55.00	68.50	126.20	182.90	243.90	2.40	5.40	10.90
47	42.70	57.40	71.60	126.70	183.60	244.80	2.60	5.80	11.30
48	44.60	60.00	74.90	127.20	184.10	245.20	2.60	5.90	11.80
49	46.40	62.60	78.30	127.50	184.60	245.80	2.80	6.40	12.50
50	48.40	65.40	81.80	127.90	185.00	246.40	3.00	6.60	13.10
51	50.60	68.30	85.40	128.30	185.40	246.60	3.10	7.00	13.80
52	52.70	71.40	89.30	128.50	185.60	247.10	3.40	7.40	14.40
53	55.00	74.50	93.30	128.60	185.80	247.70	3.60	7.90	15.10
54	57.30	77.80	97.60	128.70	185.80	248.20	3.70	8.30	15.70
55	59.80	81.30	101.90	128.80	185.80	248.70	3.90	8.80	16.50
56	63.40	86.10	108.20	130.50	187.90	249.10	4.30	9.40	17.60
57	67.20	91.30	114.70	131.80	190.00	251.70	4.50	10.10	18.60
58	71.20	96.80	121.60	133.20	191.60	253.90	5.00	10.80	19.60
59	75.40	102.60	129.00	134.50	193.50	255.80	5.30	11.40	20.80
60	79.90	108.80	136.80	135.60	195.10	257.80	5.60	12.30	22.00
61	85.30	116.10	146.10	137.80	198.10	261.60	6.10	13.30	23.50
62	91.00	124.00	156.00	140.00	201.10	265.20	6.60	14.30	25.10
63	97.20	132.40	166.50	141.90	203.90	268.80	7.00	15.40	26.90
64	103.70	141.40	178.00	143.90	206.50	272.00	7.60	16.50	28.70
65	110.70	151.00	190.10	145.60	208.80	274.70	8.30	17.60	30.70
66	122.10	166.60	209.70	152.40	218.40	287.30	9.10	19.60	33.80
67	134.80	183.90	231.50	159.20	228.10	300.00	10.20	22.00	37.30
68	148.50	202.90	255.50	166.10	238.30	312.90	11.40	24.40	41.30
69	163.90	223.80	282.00	173.00	248.30	325.80	12.80	27.10	45.50
70	180.70	246.90	311.00	180.00	258.30	338.90	14.10	30.10	50.30
71	199.80	272.90	343.90	188.10	269.90	354.30	15.80	33.50	55.60
72	220.90	301.50	380.10	192.60	281.80	369.70	17.60	37.30	61.50
73	244.30	333.30	420.20	194.80	293.60	385.20	19.60	41.50	68.00
74	265.20	368.40	464.60	198.50	305.40	400.50	21.40	46.10	75.10
75	271.50	407.10	513.50	199.70	316.90	415.70	22.20	51.40	83.10
76	294.90	441.60	557.30	205.70	326.80	428.90	24.40	56.30	90.50
77	320.40	479.10	604.90	211.30	336.10	441.70	26.80	61.50	98.50
78	348.20	519.90	656.60	216.70	345.30	454.20	29.30	67.30	107.10
79	378.20	564.00	712.50	221.70	354.00	466.30	32.20	73.50	116.60



# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	410.90*	611.80*	773.40*				35.30*	80.50*	126.90*
81	441.00*	655.00*	828.10*				38.30*	86.80*	136.40*
82	473.30*	701.30*	886.70*				41.40*	93.60*	146.50*
83	508.00*	750.90*	949.70*				44.90*	100.80*	157.30*
84	545.20*	803.90*	1,016.70*				48.60*	108.80*	169.00*
85	585.10*	860.80*	1,088.90*				52.60*	117.10*	181.50*
86	614.50*	901.50*	1,140.60*				55.50*	123.00*	190.10*
87	645.40*	944.30*	1,195.00*				58.50*	129.00*	199.20*
88	677.80*	989.00*	1,252.00*				61.70*	135.40*	208.50*
89	711.90*	1,035.80*	1,311.60*				65.00*	142.00*	218.50*
90	747.70*	1,084.90*	1,374.10*				68.40*	149.00*	228.90*
91	774.10*	1,122.00*	1,423.40*				71.10*	154.40*	237.80*
92	801.60*	1,160.60*	1,474.50*				73.70*	159.90*	247.00*
93	830.10*	1,200.40*	1,527.50*				76.30*	165.40*	256.60*
94	859.60*	1,241.60*	1,582.40*				79.20*	171.30*	266.40*
95	890.10*	1,284.10*	1,639.20*				82.20*	177.50*	276.80*
96	918.60*	1,327.40*	1,700.30*				84.90*	184.30*	288.70*
97	947.90*	1,372.00*	1,763.50*				87.60*	191.40*	301.50*
98	978.30*	1,418.10*	1,829.10*				90.50*	198.60*	314.50*
99	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
100	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
101	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
102	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
103	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
104	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
105	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
106	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
107	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
108	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
109	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*
110	1,009.60*	1,465.80*	1,897.40*				93.50*	206.30*	328.00*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Long Term Care Policy RS.LTC.(1101) - Revised Rates**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care  
181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	25.60	33.00	39.70	96.30	137.50	181.10	1.70	3.10	5.70
41	26.70	34.40	41.50	96.90	138.40	182.30	1.70	3.40	6.00
42	27.80	35.90	43.30	97.50	139.40	183.30	1.70	3.60	6.20
43	28.90	37.40	45.20	98.20	140.00	184.50	1.90	3.80	6.60
44	30.10	39.00	47.30	98.80	140.90	185.30	2.00	4.00	6.90
45	31.50	40.80	49.30	99.30	141.60	186.30	2.10	4.30	7.30
46	32.80	42.40	51.60	99.80	142.30	187.20	2.20	4.40	7.50
47	34.00	44.30	53.80	100.30	143.00	188.00	2.30	4.60	8.10
48	35.40	46.10	56.30	100.80	143.50	188.60	2.50	4.90	8.50
49	37.00	48.10	58.80	101.20	144.10	189.40	2.60	5.30	8.80
50	38.40	50.30	61.40	101.60	144.60	189.90	2.80	5.50	9.40
51	40.00	52.50	64.10	102.00	145.00	190.60	2.90	5.80	9.90
52	41.70	54.60	67.10	102.20	145.60	191.00	3.00	6.10	10.30
53	43.50	57.00	70.10	102.60	145.90	191.40	3.20	6.50	10.90
54	45.20	59.50	73.10	102.90	146.00	191.80	3.40	6.80	11.60
55	47.10	62.00	76.40	103.10	146.30	191.90	3.70	7.10	12.10
56	49.80	65.80	81.10	104.50	148.40	194.50	3.90	7.60	12.70
57	52.80	69.80	86.10	105.90	150.40	197.10	4.10	8.10	13.70
58	55.90	74.00	91.40	107.40	152.30	199.60	4.40	8.60	14.60
59	59.20	78.40	97.00	108.60	154.00	201.80	4.70	9.30	15.50
60	62.60	83.00	103.00	109.90	155.90	204.10	5.10	9.90	16.40
61	66.90	88.90	110.00	112.00	158.80	208.10	5.40	10.60	17.80
62	71.40	94.90	117.70	114.10	161.90	211.90	5.80	11.50	19.00
63	76.20	101.50	126.00	116.20	164.80	215.40	6.30	12.30	20.30
64	81.40	108.50	134.70	118.00	167.50	218.90	6.70	13.30	21.70
65	86.90	115.90	144.20	119.90	170.10	222.30	7.30	14.40	23.10
66	95.90	128.30	159.50	126.00	178.60	233.50	8.10	15.80	25.70
67	105.90	141.60	176.40	132.00	187.50	244.90	9.00	17.80	28.50
68	116.90	156.50	195.10	138.40	196.50	256.60	10.10	19.60	31.60
69	129.10	173.00	215.80	144.80	205.50	268.50	11.20	22.00	35.00
70	142.60	191.30	238.70	151.30	214.80	280.40	12.50	24.50	38.70
71	157.90	211.90	264.60	158.50	225.10	294.20	13.90	27.10	43.00
72	174.90	234.60	293.30	162.80	235.80	308.10	15.50	30.40	47.80
73	193.70	260.00	325.10	165.20	246.30	322.10	17.30	33.80	53.00
74	210.60	288.00	360.40	168.90	257.00	336.30	19.00	37.60	58.80
75	216.00	319.10	399.50	170.50	267.50	350.40	19.50	41.90	65.10
76	235.10	347.00	434.60	175.60	275.90	361.70	21.40	45.90	71.20
77	255.70	377.30	472.80	180.60	283.90	372.70	23.50	50.10	77.60
78	278.30	410.10	514.40	185.30	291.80	383.60	25.70	55.00	84.80
79	302.80	445.90	559.70	189.70	299.30	393.90	28.10	60.10	92.40

# Northwestern Long Term Care Insurance Company

Long Term Care Policy RS.LTC.(1101) - Revised Rates

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care  
181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	329.40*	484.80*	608.90*				30.80*	65.90*	100.80*
81	354.00*	520.10*	653.50*				33.30*	71.30*	108.40*
82	380.50*	558.10*	701.40*				36.00*	76.90*	116.70*
83	408.90*	599.00*	752.80*				39.00*	82.90*	125.60*
84	439.40*	642.80*	808.10*				42.10*	89.60*	135.20*
85	472.30*	689.60*	867.40*				45.60*	96.80*	145.50*
86	497.00*	724.40*	911.60*				48.00*	101.80*	152.90*
87	522.90*	760.90*	958.10*				50.60*	106.90*	160.70*
88	550.20*	799.30*	1,006.90*				53.20*	112.40*	168.90*
89	578.90*	839.40*	1,058.20*				56.10*	118.30*	177.60*
90	609.20*	881.60*	1,112.30*				59.00*	124.40*	186.60*
91	632.30*	914.40*	1,155.30*				61.20*	129.00*	194.40*
92	656.30*	948.10*	1,200.20*				63.30*	133.80*	202.40*
93	681.10*	983.10*	1,246.70*				65.70*	138.90*	210.70*
94	707.00*	1,019.50*	1,295.20*				68.10*	144.00*	219.40*
95	733.80*	1,057.30*	1,345.40*				70.50*	149.40*	228.40*
96	758.60*	1,094.50*	1,397.40*				73.00*	155.00*	238.70*
97	784.10*	1,133.10*	1,451.50*				75.60*	161.10*	249.20*
98	810.60*	1,173.00*	1,507.50*				78.20*	167.30*	260.40*
99	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
100	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
101	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
102	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
103	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
104	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
105	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
106	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
107	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
108	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
109	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*
110	838.00*	1,214.40*	1,565.70*				80.80*	173.50*	272.00*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	6.20	6.50	7.00	6.90	8.10	9.50	0.10	0.20	0.50
41	6.40	6.80	7.20	7.20	8.30	9.80	0.10	0.20	0.50
42	6.60	7.00	7.50	7.50	8.70	10.10	0.10	0.30	0.60
43	6.80	7.30	7.80	7.80	8.90	10.50	0.20	0.30	0.60
44	7.00	7.50	8.10	8.10	9.30	10.80	0.20	0.30	0.60
45	7.30	7.70	8.30	8.40	9.70	11.30	0.20	0.40	0.80
46	7.50	8.00	8.60	8.70	9.90	11.60	0.20	0.40	0.80
47	7.80	8.20	8.90	9.00	10.30	12.00	0.20	0.50	0.80
48	8.00	8.50	9.30	9.30	10.70	12.30	0.30	0.50	0.80
49	8.30	8.70	9.60	9.60	11.10	12.70	0.30	0.50	0.80
50	8.50	9.00	9.90	10.00	11.40	13.10	0.30	0.60	0.90
51	8.80	9.30	10.20	10.40	11.80	13.50	0.30	0.70	1.00
52	9.10	9.60	10.60	10.70	12.20	13.90	0.30	0.70	1.10
53	9.40	9.90	10.90	11.00	12.50	14.30	0.40	0.70	1.20
54	9.60	10.30	11.30	11.50	12.80	14.80	0.50	0.70	1.30
55	9.90	10.60	11.70	11.90	13.30	15.10	0.50	0.70	1.40
56	10.40	11.10	12.30	12.10	13.50	15.40	0.50	0.80	1.40
57	10.90	11.60	12.90	12.40	13.80	15.80	0.50	0.90	1.50
58	11.40	12.20	13.50	12.70	14.00	16.10	0.50	0.90	1.60
59	11.90	12.80	14.30	13.10	14.30	16.30	0.70	1.00	1.70
60	12.40	13.40	14.90	13.50	14.50	16.70	0.80	1.10	1.80
61	13.10	14.10	15.70	13.70	14.80	17.10	0.80	1.30	2.00
62	13.80	14.90	16.70	14.10	15.00	17.20	0.90	1.30	2.00
63	14.60	15.70	17.60	14.30	15.20	17.50	0.90	1.50	2.20
64	15.40	16.60	18.60	14.70	15.40	17.80	1.00	1.50	2.30
65	16.20	17.50	19.70	14.90	15.60	18.00	1.10	1.60	2.40
66	17.40	18.90	21.40	15.70	16.40	18.90	1.20	1.80	2.70
67	18.70	20.50	23.30	16.50	17.00	19.70	1.30	2.00	3.00
68	20.00	22.30	25.40	17.00	18.90	21.80	1.50	2.20	3.30
69	21.40	24.10	27.60	17.50	19.40	22.40	1.70	2.50	3.70
70	22.90	26.10	30.00	18.00	20.00	23.10	1.80	2.80	4.10
71	24.30	27.60	31.70	18.60	20.60	23.80	2.00	3.00	4.40
72	25.90	29.10	33.50	19.10	21.30	24.50	2.00	3.20	4.70
73	27.40	30.50	35.20	19.70	21.90	25.30	2.20	3.50	5.10
74	29.10	32.00	37.10	20.30	22.50	26.00	2.20	3.80	5.40
75	30.80	33.60	38.70	20.90	23.20	26.80	2.30	4.00	5.90
76	32.30	34.50	39.40	21.50	23.90	27.60	2.50	4.10	6.00
77	33.90	35.30	39.90	22.20	24.60	28.40	2.60	4.30	6.00
78	35.60	38.30	42.90	22.80	25.40	29.30	2.80	4.60	7.50
79	37.30	40.10	44.90	23.50	26.10	30.20	3.10	4.90	8.00

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	39.00*	41.90*	47.00*				3.30*	5.30*	8.60*
81	41.10*	44.20*	49.50*				3.50*	5.70*	9.30*
82	43.40*	46.70*	52.30*				3.80*	6.10*	10.00*
83	45.90*	49.40*	55.30*				4.10*	6.60*	10.70*
84	48.30*	51.90*	58.20*				4.40*	7.10*	11.50*
85	51.10*	54.90*	61.60*				4.70*	7.60*	12.40*
86	55.70*	59.90*	67.10*				5.10*	8.20*	13.30*
87	60.80*	65.40*	73.30*				5.50*	8.80*	14.30*
88	66.10*	71.10*	79.60*				5.90*	9.50*	15.40*
89	72.00*	77.40*	86.70*				6.30*	10.20*	16.60*
90	78.20*	84.10*	94.20*				6.80*	10.90*	17.80*
91	79.80*	85.80*	96.10*				7.30*	11.70*	19.20*
92	81.40*	87.50*	98.10*				7.80*	12.60*	20.60*
93	83.10*	89.40*	100.10*				8.40*	13.60*	22.10*
94	84.90*	91.30*	102.30*				9.00*	14.60*	23.80*
95	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
96	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
97	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
98	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
99	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
100	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
101	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
102	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
103	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
104	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
105	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
106	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
107	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
108	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
109	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*
110	86.50*	93.00*	104.20*				9.70*	15.70*	25.60*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	5.20	5.40	5.60	4.90	5.40	6.20	0.10	0.20	0.50
41	5.40	5.50	5.80	5.10	5.70	6.50	0.10	0.20	0.50
42	5.50	5.60	6.00	5.40	5.90	6.70	0.10	0.30	0.50
43	5.70	5.80	6.20	5.60	6.20	7.00	0.10	0.30	0.50
44	5.80	5.90	6.40	5.80	6.60	7.30	0.20	0.30	0.50
45	6.00	6.10	6.60	6.00	6.80	7.70	0.20	0.30	0.50
46	6.10	6.40	6.80	6.30	6.90	8.00	0.20	0.30	0.60
47	6.30	6.50	6.90	6.60	7.30	8.40	0.20	0.30	0.70
48	6.50	6.70	7.20	6.80	7.60	8.70	0.20	0.30	0.70
49	6.70	6.90	7.30	7.00	7.80	9.10	0.20	0.30	0.70
50	6.80	7.10	7.60	7.30	8.10	9.40	0.30	0.40	0.70
51	7.00	7.20	7.80	7.60	8.50	9.80	0.30	0.40	0.70
52	7.20	7.50	8.00	7.80	8.80	10.20	0.30	0.40	0.80
53	7.40	7.70	8.30	8.10	9.00	10.50	0.30	0.50	0.80
54	7.60	7.90	8.50	8.30	9.40	11.00	0.30	0.50	0.90
55	7.70	8.10	8.70	8.80	9.80	11.40	0.50	0.50	1.00
56	8.00	8.50	9.20	9.10	10.00	11.60	0.50	0.50	1.00
57	8.50	8.80	9.60	9.20	10.30	11.70	0.50	0.60	1.00
58	8.80	9.20	10.00	9.60	10.70	12.10	0.50	0.70	1.10
59	9.20	9.60	10.60	9.90	10.90	12.20	0.50	0.80	1.10
60	9.60	10.00	11.00	10.20	11.20	12.50	0.50	0.90	1.20
61	10.00	10.50	11.60	10.60	11.50	12.80	0.70	0.90	1.30
62	10.60	11.00	12.20	10.80	11.80	13.00	0.70	1.10	1.40
63	11.10	11.70	12.90	11.30	11.90	13.30	0.80	1.10	1.40
64	11.60	12.30	13.60	11.70	12.10	13.60	0.80	1.20	1.60
65	12.20	13.00	14.30	12.00	12.30	13.90	0.90	1.20	1.60
66	13.20	14.00	15.60	12.60	13.00	14.50	0.90	1.40	1.80
67	14.10	15.30	16.90	13.40	13.50	15.40	1.10	1.40	2.00
68	15.20	16.50	18.30	13.80	15.00	17.30	1.10	1.70	2.30
69	16.40	18.00	19.90	14.20	15.50	17.80	1.20	1.70	2.50
70	17.50	19.40	21.70	14.60	15.90	18.30	1.40	2.10	2.70
71	18.60	20.50	22.80	15.10	16.40	18.90	1.50	2.10	3.00
72	19.80	21.60	23.90	15.50	16.90	19.40	1.50	2.20	3.30
73	20.90	22.70	25.10	16.00	17.40	20.00	1.70	2.20	3.50
74	22.10	23.70	26.10	16.50	17.90	20.60	1.80	2.40	3.80
75	23.30	24.90	27.20	17.00	18.50	21.20	1.80	2.40	4.00
76	24.40	25.50	27.70	17.50	19.00	21.90	1.90	2.50	4.20
77	25.40	26.10	28.10	18.00	19.60	22.50	2.20	2.70	4.30
78	26.60	28.00	30.60	18.50	20.20	23.20	2.40	3.40	5.50
79	27.60	29.10	31.70	19.10	20.80	23.90	2.50	3.60	5.90

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

46 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	28.70*	30.20*	33.00*				2.70*	3.90*	6.40*
81	30.40*	32.00*	34.90*				2.90*	4.20*	6.80*
82	32.40*	34.10*	37.20*				3.20*	4.50*	7.30*
83	34.40*	36.20*	39.50*				3.40*	4.90*	7.90*
84	36.40*	38.30*	41.80*				3.60*	5.20*	8.50*
85	38.70*	40.70*	44.50*				3.90*	5.60*	9.10*
86	42.60*	44.80*	49.00*				4.20*	6.00*	9.80*
87	46.80*	49.30*	53.80*				4.50*	6.50*	10.50*
88	51.30*	54.00*	59.00*				4.90*	7.00*	11.30*
89	56.10*	59.10*	64.50*				5.20*	7.50*	12.20*
90	61.30*	64.50*	70.50*				5.60*	8.00*	13.10*
91	62.50*	65.80*	71.80*				6.10*	8.70*	14.10*
92	63.70*	67.10*	73.20*				6.50*	9.30*	15.10*
93	64.90*	68.30*	74.60*				7.00*	10.00*	16.30*
94	66.10*	69.60*	76.00*				7.50*	10.70*	17.50*
95	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
96	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
97	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
98	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
99	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
100	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
101	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
102	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
103	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
104	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
105	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
106	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
107	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
108	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
109	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*
110	67.30*	70.80*	77.40*				8.10*	11.60*	18.80*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	5.40	5.70	6.10	6.00	7.00	8.20	0.10	0.20	0.40
41	5.60	5.90	6.30	6.20	7.30	8.50	0.10	0.20	0.50
42	5.80	6.10	6.50	6.50	7.50	8.90	0.10	0.20	0.50
43	5.90	6.30	6.80	6.80	7.80	9.10	0.20	0.30	0.50
44	6.10	6.50	7.00	7.10	8.10	9.50	0.20	0.30	0.50
45	6.30	6.70	7.30	7.30	8.40	9.70	0.20	0.30	0.50
46	6.50	6.90	7.50	7.60	8.70	10.10	0.20	0.40	0.60
47	6.70	7.10	7.80	7.90	9.00	10.40	0.20	0.40	0.60
48	7.00	7.40	8.00	8.10	9.30	10.80	0.20	0.40	0.80
49	7.20	7.60	8.30	8.40	9.60	11.10	0.20	0.40	0.80
50	7.40	7.90	8.60	8.70	9.90	11.40	0.30	0.40	0.80
51	7.60	8.10	8.90	9.10	10.20	11.80	0.30	0.50	0.90
52	7.90	8.40	9.20	9.30	10.50	12.10	0.30	0.50	1.00
53	8.10	8.60	9.50	9.70	10.90	12.50	0.40	0.60	1.00
54	8.40	8.90	9.80	9.90	11.20	12.90	0.40	0.60	1.10
55	8.60	9.20	10.20	10.30	11.60	13.20	0.40	0.70	1.10
56	9.00	9.70	10.70	10.60	11.70	13.40	0.40	0.70	1.20
57	9.50	10.10	11.20	10.80	12.00	13.70	0.40	0.80	1.30
58	9.90	10.60	11.80	11.10	12.20	13.90	0.50	0.80	1.40
59	10.40	11.10	12.40	11.40	12.40	14.20	0.50	0.90	1.50
60	10.80	11.70	13.00	11.70	12.60	14.50	0.60	0.90	1.60
61	11.40	12.30	13.70	12.00	12.80	14.80	0.70	1.00	1.70
62	12.10	13.00	14.50	12.10	13.00	15.00	0.70	1.10	1.80
63	12.70	13.70	15.30	12.50	13.20	15.30	0.80	1.20	1.90
64	13.40	14.40	16.20	12.70	13.40	15.50	0.80	1.30	2.00
65	14.10	15.20	17.10	13.00	13.60	15.70	0.90	1.40	2.20
66	15.10	16.50	18.60	13.70	14.20	16.40	1.10	1.50	2.40
67	16.20	17.90	20.30	14.40	14.80	17.10	1.20	1.70	2.60
68	17.40	19.40	22.10	14.80	16.50	19.00	1.30	1.90	2.90
69	18.60	21.00	24.00	15.30	17.00	19.60	1.50	2.10	3.20
70	19.90	22.70	26.10	15.70	17.50	20.20	1.60	2.40	3.60
71	21.20	24.00	27.60	16.20	18.00	20.80	1.70	2.60	3.80
72	22.50	25.30	29.10	16.70	18.50	21.40	1.80	2.80	4.10
73	23.90	26.60	30.70	17.20	19.10	22.00	1.90	3.00	4.40
74	25.30	27.90	32.20	17.70	19.70	22.70	2.00	3.20	4.70
75	26.80	29.20	33.70	18.20	20.30	23.40	2.00	3.40	5.10
76	28.10	30.00	34.30	18.80	20.90	24.10	2.20	3.60	5.10
77	29.50	30.80	34.70	19.40	21.50	24.80	2.30	3.70	5.20
78	30.90	33.20	37.20	19.90	22.10	25.60	2.50	4.00	6.50
79	32.40	34.80	39.00	20.50	22.80	26.30	2.70	4.30	7.00



# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	33.90*	36.50*	40.80*				2.90*	4.60*	7.50*
81	35.80*	38.50*	43.10*				3.10*	5.00*	8.10*
82	37.80*	40.60*	45.50*				3.30*	5.30*	8.70*
83	39.90*	42.90*	48.10*				3.50*	5.70*	9.30*
84	42.10*	45.30*	50.70*				3.80*	6.20*	10.00*
85	44.40*	47.70*	53.50*				4.10*	6.60*	10.80*
86	48.50*	52.20*	58.40*				4.40*	7.10*	11.60*
87	52.90*	56.90*	63.70*				4.70*	7.60*	12.50*
88	57.50*	61.80*	69.30*				5.10*	8.20*	13.40*
89	62.60*	67.30*	75.40*				5.50*	8.80*	14.40*
90	68.00*	73.10*	81.90*				5.90*	9.50*	15.50*
91	69.40*	74.60*	83.60*				6.30*	10.20*	16.70*
92	70.80*	76.10*	85.30*				6.80*	11.00*	17.90*
93	72.30*	77.70*	87.10*				7.30*	11.80*	19.30*
94	73.80*	79.40*	88.90*				7.90*	12.70*	20.70*
95	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
96	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
97	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
98	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
99	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
100	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
101	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
102	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
103	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
104	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
105	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
106	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
107	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
108	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
109	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*
110	75.30*	81.00*	90.70*				8.50*	13.60*	22.20*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	4.50	4.60	4.90	4.30	4.80	5.40	0.10	0.20	0.40
41	4.70	4.80	5.10	4.40	4.90	5.60	0.10	0.20	0.40
42	4.80	4.90	5.20	4.60	5.20	5.90	0.10	0.20	0.40
43	4.90	5.10	5.40	4.90	5.30	6.10	0.10	0.20	0.40
44	5.10	5.20	5.50	5.00	5.60	6.50	0.10	0.20	0.50
45	5.20	5.40	5.70	5.30	5.80	6.70	0.10	0.20	0.50
46	5.30	5.50	5.90	5.50	6.10	7.00	0.20	0.30	0.50
47	5.50	5.70	6.10	5.70	6.30	7.20	0.20	0.30	0.50
48	5.60	5.80	6.20	5.90	6.60	7.60	0.20	0.30	0.60
49	5.80	6.00	6.40	6.10	6.80	7.90	0.20	0.30	0.60
50	5.90	6.20	6.60	6.40	7.00	8.20	0.20	0.30	0.60
51	6.10	6.30	6.80	6.60	7.40	8.50	0.20	0.40	0.70
52	6.30	6.50	7.00	6.80	7.60	8.80	0.20	0.40	0.70
53	6.40	6.70	7.20	7.10	7.90	9.20	0.30	0.40	0.70
54	6.60	6.90	7.40	7.30	8.20	9.50	0.30	0.40	0.80
55	6.70	7.10	7.60	7.60	8.40	9.80	0.40	0.40	0.80
56	7.00	7.40	8.00	7.90	8.70	10.00	0.40	0.40	0.80
57	7.30	7.70	8.40	8.10	9.00	10.20	0.40	0.50	0.80
58	7.70	8.00	8.80	8.30	9.20	10.40	0.40	0.60	0.90
59	8.00	8.30	9.20	8.60	9.60	10.60	0.40	0.70	0.90
60	8.30	8.70	9.60	8.90	9.80	10.80	0.50	0.70	1.00
61	8.70	9.20	10.10	9.20	9.90	11.10	0.60	0.80	1.10
62	9.20	9.70	10.60	9.50	10.10	11.40	0.60	0.80	1.20
63	9.70	10.20	11.20	9.70	10.30	11.60	0.60	0.90	1.30
64	10.10	10.70	11.80	10.10	10.60	11.80	0.70	1.00	1.40
65	10.60	11.30	12.50	10.50	10.70	12.00	0.80	1.00	1.40
66	11.50	12.20	13.50	10.90	11.30	12.70	0.80	1.20	1.60
67	12.30	13.30	14.70	11.60	11.80	13.40	0.90	1.30	1.80
68	13.20	14.40	16.00	11.90	13.00	14.90	1.00	1.40	1.90
69	14.20	15.60	17.40	12.30	13.40	15.40	1.10	1.60	2.10
70	15.20	16.90	18.80	12.70	13.80	15.80	1.20	1.70	2.40
71	16.20	17.80	19.80	13.10	14.20	16.30	1.30	1.90	2.60
72	17.20	18.80	20.80	13.40	14.60	16.80	1.30	1.90	2.80
73	18.20	19.70	21.80	13.90	15.10	17.30	1.40	2.00	3.00
74	19.20	20.70	22.70	14.30	15.50	17.80	1.50	2.00	3.30
75	20.30	21.60	23.60	14.70	16.00	18.40	1.60	2.10	3.60
76	21.20	22.20	24.10	15.10	16.50	18.90	1.70	2.20	3.60
77	22.10	22.70	24.40	15.60	16.90	19.50	1.90	2.30	3.80
78	23.10	24.30	26.60	16.10	17.50	20.10	2.00	2.90	4.80
79	24.00	25.30	27.60	16.50	18.00	20.70	2.20	3.10	5.10

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

91 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	25.00*	26.30*	28.70*				2.40*	3.40*	5.50*
81	26.50*	27.90*	30.50*				2.50*	3.60*	5.90*
82	28.10*	29.60*	32.30*				2.70*	3.90*	6.30*
83	29.90*	31.50*	34.40*				2.90*	4.20*	6.80*
84	31.70*	33.40*	36.40*				3.20*	4.50*	7.30*
85	33.70*	35.50*	38.70*				3.40*	4.80*	7.90*
86	37.00*	38.90*	42.50*				3.60*	5.20*	8.50*
87	40.60*	42.70*	46.70*				3.90*	5.60*	9.10*
88	44.60*	46.90*	51.30*				4.20*	6.00*	9.80*
89	48.80*	51.40*	56.10*				4.50*	6.50*	10.50*
90	53.30*	56.10*	61.30*				4.90*	6.90*	11.30*
91	54.30*	57.20*	62.40*				5.20*	7.50*	12.20*
92	55.40*	58.30*	63.70*				5.60*	8.00*	13.10*
93	56.40*	59.40*	64.80*				6.00*	8.60*	14.10*
94	57.50*	60.50*	66.10*				6.50*	9.30*	15.10*
95	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
96	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
97	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
98	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
99	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
100	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
101	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
102	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
103	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
104	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
105	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
106	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
107	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
108	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
109	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*
110	58.50*	61.60*	67.20*				7.00*	10.00*	16.20*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	4.90	5.20	5.60	5.50	6.40	7.50	0.10	0.20	0.40
41	5.10	5.40	5.70	5.60	6.60	7.70	0.10	0.20	0.50
42	5.30	5.60	5.90	5.90	6.80	8.10	0.10	0.20	0.50
43	5.40	5.70	6.20	6.20	7.10	8.30	0.20	0.30	0.50
44	5.60	5.90	6.40	6.50	7.40	8.60	0.20	0.30	0.50
45	5.70	6.10	6.60	6.60	7.60	8.80	0.20	0.30	0.50
46	5.90	6.30	6.80	6.90	7.90	9.20	0.20	0.40	0.50
47	6.10	6.50	7.10	7.20	8.20	9.50	0.20	0.40	0.50
48	6.40	6.70	7.30	7.40	8.50	9.80	0.20	0.40	0.70
49	6.60	6.90	7.60	7.60	8.70	10.10	0.20	0.40	0.70
50	6.70	7.20	7.80	7.90	9.00	10.40	0.30	0.40	0.70
51	6.90	7.40	8.10	8.30	9.30	10.70	0.30	0.50	0.80
52	7.20	7.60	8.40	8.50	9.60	11.00	0.30	0.50	0.90
53	7.40	7.80	8.60	8.80	9.90	11.40	0.40	0.50	0.90
54	7.60	8.10	8.90	9.00	10.20	11.70	0.40	0.50	1.00
55	7.80	8.40	9.30	9.40	10.60	12.00	0.40	0.60	1.00
56	8.20	8.80	9.70	9.60	10.60	12.20	0.40	0.60	1.10
57	8.60	9.20	10.20	9.80	10.90	12.50	0.40	0.70	1.20
58	9.00	9.60	10.70	10.10	11.10	12.60	0.50	0.70	1.30
59	9.50	10.10	11.30	10.40	11.30	12.90	0.50	0.80	1.40
60	9.80	10.60	11.80	10.60	11.50	13.20	0.50	0.80	1.50
61	10.40	11.20	12.50	10.90	11.60	13.50	0.60	0.90	1.50
62	11.00	11.80	13.20	11.00	11.80	13.70	0.60	1.00	1.60
63	11.60	12.50	13.90	11.40	12.00	13.90	0.70	1.10	1.70
64	12.20	13.10	14.70	11.60	12.20	14.10	0.70	1.20	1.80
65	12.80	13.80	15.60	11.80	12.40	14.30	0.80	1.30	2.00
66	13.70	15.00	16.90	12.50	12.90	14.90	1.00	1.40	2.20
67	14.70	16.30	18.50	13.10	13.50	15.60	1.10	1.50	2.40
68	15.80	17.70	20.10	13.50	15.00	17.30	1.20	1.70	2.60
69	16.90	19.10	21.80	13.90	15.40	17.80	1.40	1.90	2.90
70	18.10	20.70	23.80	14.30	15.90	18.40	1.50	2.20	3.30
71	19.30	21.80	25.10	14.70	16.40	18.90	1.50	2.40	3.50
72	20.50	23.00	26.50	15.20	16.90	19.50	1.60	2.50	3.70
73	21.70	24.20	27.90	15.60	17.40	20.10	1.70	2.70	4.00
74	23.00	25.40	29.30	16.10	17.90	20.70	1.80	2.90	4.30
75	24.40	26.60	30.70	16.60	18.40	21.30	1.80	3.10	4.60
76	25.60	27.30	31.20	17.10	19.00	21.90	2.00	3.30	4.60
77	26.80	28.00	31.60	17.60	19.60	22.60	2.10	3.40	4.70
78	28.10	30.20	33.90	18.10	20.20	23.30	2.20	3.60	5.90
79	29.50	31.70	35.50	18.70	20.80	24.00	2.40	3.90	6.40

# Northwestern Long Term Care Insurance Company

Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates

(Shortened Benefit Period Option)

Annual Premium per \$10 of Long-Term Care Daily Benefit

\$10/day for Nursing Home; \$10/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	30.80*	33.20*	37.20*				2.60*	4.20*	6.80*
81	32.60*	35.00*	39.30*				2.80*	4.50*	7.40*
82	34.40*	37.00*	41.40*				3.00*	4.80*	7.90*
83	36.30*	39.00*	43.70*				3.20*	5.20*	8.50*
84	38.30*	41.20*	46.20*				3.50*	5.60*	9.10*
85	40.40*	43.40*	48.70*				3.70*	6.00*	9.80*
86	44.10*	47.50*	53.20*				4.00*	6.50*	10.60*
87	48.10*	51.80*	58.00*				4.30*	7.00*	11.40*
88	52.30*	56.30*	63.00*				4.60*	7.50*	12.20*
89	57.00*	61.30*	68.60*				5.00*	8.00*	13.10*
90	61.90*	66.50*	74.60*				5.40*	8.60*	14.10*
91	63.20*	67.90*	76.10*				5.80*	9.30*	15.20*
92	64.40*	69.30*	77.60*				6.20*	10.00*	16.30*
93	65.80*	70.70*	79.30*				6.70*	10.70*	17.50*
94	67.20*	72.20*	80.90*				7.20*	11.50*	18.80*
95	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
96	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
97	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
98	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
99	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
100	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
101	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
102	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
103	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
104	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
105	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
106	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
107	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
108	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
109	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*
110	68.50*	73.70*	82.60*				7.70*	12.40*	20.20*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
18-40	4.10	4.20	4.50	3.90	4.40	4.90	0.10	0.20	0.40
41	4.30	4.40	4.60	4.00	4.50	5.10	0.10	0.20	0.40
42	4.40	4.50	4.70	4.20	4.70	5.40	0.10	0.20	0.40
43	4.50	4.60	4.90	4.50	4.80	5.60	0.10	0.20	0.40
44	4.60	4.70	5.00	4.60	5.10	5.90	0.10	0.20	0.50
45	4.70	4.90	5.20	4.80	5.30	6.10	0.10	0.20	0.50
46	4.80	5.00	5.40	5.00	5.60	6.40	0.20	0.30	0.50
47	5.00	5.20	5.60	5.20	5.70	6.60	0.20	0.30	0.50
48	5.10	5.30	5.60	5.40	6.00	6.90	0.20	0.30	0.50
49	5.30	5.50	5.80	5.60	6.20	7.20	0.20	0.30	0.50
50	5.40	5.60	6.00	5.80	6.40	7.50	0.20	0.30	0.50
51	5.60	5.70	6.20	6.00	6.70	7.70	0.20	0.40	0.60
52	5.70	5.90	6.40	6.20	6.90	8.00	0.20	0.40	0.60
53	5.80	6.10	6.60	6.50	7.20	8.40	0.30	0.40	0.60
54	6.00	6.30	6.70	6.60	7.50	8.60	0.30	0.40	0.70
55	6.10	6.50	6.90	6.90	7.60	8.90	0.40	0.40	0.70
56	6.40	6.70	7.30	7.20	7.90	9.10	0.40	0.40	0.70
57	6.60	7.00	7.60	7.40	8.20	9.30	0.40	0.50	0.70
58	7.00	7.30	8.00	7.60	8.40	9.50	0.40	0.50	0.80
59	7.30	7.60	8.40	7.80	8.70	9.60	0.40	0.60	0.80
60	7.60	7.90	8.70	8.10	8.90	9.80	0.50	0.60	0.90
61	7.90	8.40	9.20	8.40	9.00	10.10	0.50	0.70	1.00
62	8.40	8.80	9.60	8.60	9.20	10.40	0.50	0.70	1.10
63	8.80	9.30	10.20	8.80	9.40	10.60	0.50	0.80	1.20
64	9.20	9.70	10.70	9.20	9.60	10.70	0.60	0.90	1.30
65	9.60	10.30	11.40	9.60	9.70	10.90	0.70	0.90	1.30
66	10.50	11.10	12.30	9.90	10.30	11.60	0.70	1.10	1.50
67	11.20	12.10	13.40	10.60	10.70	12.20	0.80	1.20	1.60
68	12.00	13.10	14.60	10.90	11.80	13.60	0.90	1.30	1.70
69	12.90	14.20	15.80	11.20	12.20	14.00	1.00	1.50	1.90
70	13.80	15.40	17.10	11.50	12.50	14.40	1.10	1.50	2.20
71	14.70	16.20	18.00	11.90	12.90	14.90	1.20	1.70	2.40
72	15.70	17.10	18.90	12.20	13.30	15.30	1.20	1.70	2.50
73	16.60	17.90	19.80	12.60	13.70	15.80	1.30	1.80	2.70
74	17.50	18.80	20.70	13.00	14.10	16.20	1.40	1.80	3.00
75	18.50	19.70	21.50	13.40	14.50	16.70	1.50	1.90	3.30
76	19.30	20.20	21.90	13.80	15.00	17.20	1.50	2.00	3.30
77	20.10	20.70	22.20	14.20	15.40	17.70	1.70	2.10	3.50
78	21.00	22.10	24.20	14.60	15.90	18.30	1.90	2.70	4.30
79	21.80	23.00	25.10	15.10	16.40	18.80	2.00	2.90	4.60

# Northwestern Long Term Care Insurance Company

**Non-forfeiture Benefit RS.LTC.(1101) - Revised Rates**

**(Shortened Benefit Period Option)**

**Annual Premium per \$10 of Long-Term Care Daily Benefit**

\$10/day for Nursing Home; \$5/day for Home Care & Adult Day Care

181 Day Beginning Date

Issue Age	Base			Automatic Benefit Increase Option With Increases at 5%			Automatic Additional Purchase Benefit		
	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited	3 Yr	6 Yr	Unlimited
80	22.80*	23.90*	26.10*				2.10*	3.10*	5.00*
81	24.10*	25.40*	27.70*				2.30*	3.30*	5.40*
82	25.60*	26.90*	29.40*				2.50*	3.50*	5.80*
83	27.20*	28.60*	31.30*				2.70*	3.80*	6.20*
84	28.80*	30.40*	33.20*				2.90*	4.10*	6.70*
85	30.70*	32.30*	35.20*				3.10*	4.40*	7.20*
86	33.70*	35.40*	38.70*				3.30*	4.70*	7.70*
87	36.90*	38.90*	42.50*				3.60*	5.10*	8.30*
88	40.60*	42.70*	46.70*				3.80*	5.50*	8.90*
89	44.40*	46.70*	51.00*				4.10*	5.90*	9.60*
90	48.50*	51.10*	55.80*				4.40*	6.30*	10.30*
91	49.40*	52.00*	56.80*				4.80*	6.80*	11.10*
92	50.40*	53.10*	57.90*				5.10*	7.30*	11.90*
93	51.30*	54.00*	59.00*				5.50*	7.90*	12.80*
94	52.30*	55.10*	60.10*				5.90*	8.40*	13.70*
95	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
96	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
97	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
98	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
99	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
100	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
101	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
102	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
103	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
104	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
105	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
106	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
107	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
108	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
109	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*
110	53.20*	56.00*	61.20*				6.40*	9.10*	14.80*

\* Rates applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

# Northwestern Long Term Care Insurance Company

## Survivorship Benefit Premium Percentage RS.LTC.(1101) - Revised Rates

Issue Age	Base	Base Policy Plus Automatic Benefit Increase Option	Base Policy Plus Automatic Additional Purchase Benefit
18-40	12.00%	21.00%	17.00%
41	12.00%	22.00%	17.00%
42	12.00%	22.00%	18.00%
43	13.00%	22.00%	18.00%
44	13.00%	22.00%	19.00%
45	14.00%	23.00%	19.00%
46	14.00%	23.00%	20.00%
47	15.00%	23.00%	20.00%
48	15.00%	24.00%	21.00%
49	15.00%	24.00%	22.00%
50	16.00%	24.00%	22.00%
51	16.00%	24.00%	23.00%
52	17.00%	25.00%	23.00%
53	17.00%	25.00%	24.00%
54	17.00%	25.00%	24.00%
55	18.00%	25.00%	24.00%
56	18.00%	25.00%	25.00%
57	19.00%	26.00%	25.00%
58	19.00%	26.00%	25.00%
59	19.00%	26.00%	26.00%
60	20.00%	26.00%	26.00%
61	20.00%	26.00%	26.00%
62	20.00%	27.00%	27.00%
63	20.00%	27.00%	27.00%
64	21.00%	27.00%	27.00%
65	21.00%	27.00%	27.00%
66	21.00%	27.00%	27.00%
67	22.00%	27.00%	27.00%
68	22.00%	27.00%	27.00%
69	22.00%	26.00%	26.00%
70	22.00%	26.00%	26.00%
71	22.00%	26.00%	26.00%
72	22.00%	26.00%	25.00%
73	21.00%	25.00%	24.00%
74	21.00%	25.00%	23.00%
75	21.00%	24.00%	23.00%
76	20.00%	24.00%	22.00%
77	20.00%	23.00%	21.00%
78	20.00%	23.00%	21.00%
79	20.00%	23.00%	21.00%



# Northwestern Long Term Care Insurance Company

## Survivorship Benefit Premium Percentage RS.LTC.(1101) - Revised Rates

Issue Age	Base	Base Policy Plus Automatic Benefit Increase Option	Base Policy Plus Automatic Additional Purchase Benefit
80			21.00%*
81			21.00%*
82			21.00%*
83			21.00%*
84			21.00%*
85			21.00%*
86			21.00%*
87			21.00%*
88			21.00%*
89			21.00%*
90			21.00%*
91			21.00%*
92			21.00%*
93			21.00%*
94			21.00%*
95			21.00%*
96			21.00%*
97			21.00%*
98			21.00%*
99			21.00%*
100			21.00%*
101			21.00%*
102			21.00%*
103			21.00%*
104			21.00%*
105			21.00%*
106			21.00%*
107			21.00%*
108			21.00%*
109			21.00%*
110			21.00%*

\* Percentages applicable only for benefit increases after issue due to the Automatic Additional Purchase Benefit.

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Certification of Compliance
<b>Bypass Reason:</b>	Not applicable for this filing. No forms are included.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Product Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Review Requirements Checklist Ind LTC Ins.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	03/21/2017

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Actuarial Certification (RS pre-rate) (VA).pdf RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx VA Exhibit 2 Inforce Policies and Premium (RS Pre-Rate Stabilization).pdf PREMCALC RR-RS (STD).pdf Experience Exhibits (VA).pdf Inforce Filing Act Memo Cover Letter (VA) RS.pdf Premium Rate Compare RS pre rate after increase to UU2016(1014)Rev (VA).pdf ACTMEMO Update (RS Pre-Rate Stabilization) (VA) REV.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	07/05/2017

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	Summary Part 1-RS pre Rate Stabilization.pdf VA Rate Request Summary revised RS.LTC.(1101) pre-rate.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	10/31/2017

<b>Satisfied - Item:</b>	Filing Status
<b>Comments:</b>	
<b>Attachment(s):</b>	Filing Status (VA) RS.pdf
<b>Item Status:</b>	Received & Acknowledged

<b>SERFF Tracking #:</b>	NWST-130932341	<b>State Tracking #:</b>	NWST-130932341	<b>Company Tracking #:</b>	2016 LTC RISK MITIGATION RS RATES - PR...
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<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

<b>Status Date:</b>	03/21/2017
<b>Satisfied - Item:</b>	Policyowner Notification Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	90-2578 (AL AR AZ CO IA ID KS KY LA MD ME MT ND NE OH OK SD VA WY).pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	03/21/2017
<b>Satisfied - Item:</b>	VA Response Letter dated 04102017
<b>Comments:</b>	
<b>Attachment(s):</b>	VA Response Letter Dated 04102017 RS RATES - Pre.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	07/05/2017

<b>SERFF Tracking #:</b>	NWST-130932341	<b>State Tracking #:</b>	NWST-130932341	<b>Company Tracking #:</b>	2016 LTC RISK MITIGATION RS RATES - PR...
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<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

***Attachment RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx is not a PDF document and cannot be reproduced here.***

Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
<b>General Filing Requirements</b>		
Transmittal Letter	14 VAC 5-100-40	<b>For Paper Filings:</b> Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14 VAC 5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters, or a combination of both.
	14 VAC 5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14 VAC 5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14 VAC 5-100-40 5	Description of market for which the form is intended.
	14 VAC 5-100-40 6	<b>For Paper Filings:</b> At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a "stamped" copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and NAIC number of the company for which the filing is made.
<b>Additional SERFF Filing Requirements</b>	<b>Administrative Letter 2012-03</b>	<b>Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a "rejected" filing.</b>
<b>General Information – Filing Description</b>		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
<b>HELP TIP:</b>		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.

Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
<b>Rate Changes</b>		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
<b>Forms</b>		
Form number	14 VAC 5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company name & address	14 VAC 5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final form	14 VAC 5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14 VAC 5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval.)
Type Size	14 VAC 5-100-50 5	Individual Accident and Sickness forms must be printed with type size of at least ten-point type. All other forms must be printed with type size of at least eight-point.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Insurance Code does not define "Insurance Fraud." Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply in Virginia or may disclose states where applicable.
Readability Certification	14 VAC 5-110-60	Readability certification is required as described in the regulation.
Entire Consideration	§ 38.2-3500 A 1	The entire consideration is expressed in the policy.
Effective-Termination Time	§ 38.2-3500 A 2	The time (clock time) the policy becomes effective and terminates is expressed in the policy.
DMAS Payor of Last Resort	§ 38.2-3500 A 7	Every accident and health policy must contain a statement indicating the Department of Medical Assistance Services as the payor of last resort.
Definition of Eligible Family members	§ 38.2-3500 C	The definition establishes that eligible dependent children may not be required to live in the household as the policyowner.
Handicapped Child Coverage	§ 38.2-3409	Upon termination due to age, coverage will be continued for: (1) persons incapable of self-sustaining employment by reason of intellectual disability or physical handicap; and (2) chiefly dependent on the insured for support and maintenance. Additional premium may be charged based upon class of risks.
Renewal Provision	14 VAC 200-70 A & 14 VAC 5-200-60 A	The regulation specifies the content of the renewability provision. The renewal provision must be either guaranteed renewable or noncancellable.
LTC Caution Notice	14 VAC 5-200-80 C 2	Required language <b>in bold print</b> .

Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
30-Day Free Look	§ 38.2-5208 A	
Notice to Buyer	14 VAC 5-200-170 A 3	Required language.
<b>General Provisions</b>		
Contents of Policy	38.2-305 A	Parties to policy named; subject of insurance; risks insured against; time insurance takes effect; statement of the premium.
Entire Contract	§ 38.2-3503 1	The provision defines the contents of the entire contract.
Grace Period	§ 38.2-3503 3	The provision defines the grace period and length of the various acceptable grace periods.
	14 VAC 5-200-65 A 3	The policy must specify an additional 30 days for an unintentional lapse of coverage.
Reinstatement	§ 38.2-3503 4	
	14 VAC 5-200-65 B	The regulation provides for an extended reinstatement period in the event of policy lapse due to cognitive impairment.
Notice of Claim	§ 38.2-3503 5	
Claim Forms	§ 38.2-3503 6	
Proof of Loss	§ 38.2-3503 7	
Time Payment of Claims	§ 38.2-3503 8	The provision specifies <b>when</b> benefits will be paid.
Payment of Claims	§ 38.2-3503 9	The provision specifies <b>to whom</b> benefits will be paid
Physical Examinations and Autopsy	§ 38.2-3503 10	
Legal Actions	§ 38.2-3503 11	
Change of Beneficiary	§ 38.2-3503 12	(For payment to beneficiaries, see Payment of Claims provision-§ 38.2-3503 9.)
Incontestability	§ 38.2-5209	The provision contains specific incontestability language for long-term care insurance.
Age Limit	§ 38.2-3513 A	If the policy establishes an age-limit after which coverage will no longer be effective, and if the date falls within a period for which a premium is accepted by the insurer or the insurer accepts a premium after the date, the coverage provided by the policy will continue in force until the end of the period for which the premium has been accepted.
	§ 38.2-3513 B	If the age of the insured has been misstated and the policy would not have been issued according to the correct age of the insured, the policy would not have become effective or would have ceased prior to the acceptance of the premium, then the liability of the insurer shall be limited to the refund of the premium paid for the period not covered by the policy.
<b>Optional Provisions</b>		
Change of Occupation	§ 38.2-3504 1	
Misstatement of Age	§ 38.2-3504 2	
Other Insurance in this Company	§ 38.2-3504 3	
Insurance with Other Company	§ 38.2-3504 4	
Insurance with Other Company	§ 38.2-3504 5	
Unpaid Premiums	§ 38.2-3504 7	
Conformity with State Statutes	§ 38.2-3504 9	Must use "resides" language

Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Illegal Occupation	§ 38.2-3504 10	
Intoxicants and Narcotics	§ 38.2-3504 11	
<b>Prohibited Provisions</b>		
	§ 38.2-5203	Specified provisions prohibited in a long-term care policy.
	§ 38.2-5205 A	Prior institutionalization may not be a requirement to receive benefits.
	14 VAC 5-200-190	Preexisting conditions and waiting periods may not be used in replacement policies.
Subrogation	§ 38.2-3405 A	No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person.
Liability Insurance	§ 38.2-3405 B	Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract.
Workers' Compensation	§ 38.2-3405 D	The statute discusses exceptions to exclusions due to benefits payable under workers' compensation.
Minimum Standards for Home Health Care	14 VAC 5-200-90	The minimum standards include prohibited exclusions and restrictions regarding home health care benefits.
<b>LTC Policy Requirements</b>		
Duration of Benefits	§ 38.2-5200	Coverage must be provided for a minimum of 12 months.
Refund of Premium for Cancellation or Termination of Policy	§ 38.2-5202.1	Provides for the termination of the policy by the <b>insured</b> and for cancellation of the policy by the <b>insurer</b> , except when coverage is for the duration of life and premium is a single installment payment.
Preexisting Condition	§ 38.2-5204	Defines look-back period and limitation period for preexisting conditions.
	14 VAC 5-200-70 D	If policy includes limitations due to a preexisting condition, such limitations must be included labeled as "Preexisting Condition Limitations."
Limitations or Conditions on Eligibility for Benefits	§ 38.2-5205 B 14 VAC 5-200-187	Permissible benefit triggers and requirements.
Definitions	14 VAC 5-200-50	Certain terms defined.
UCR defined	14 VAC 5-200-70 C	The term must be defined If benefits are based on usual, reasonable and customary charges.
Limitations and Exclusions	14 VAC 5-200-60 B	
	§ 38.2-3504 11	Intoxicants and narcotics
Extension of benefits	14 VAC 5-200-60 C	
Right to Reduce Coverage and Lower Premiums	14 VAC 5-200-183	The policy shall include a provision that allows the policyholder to reduce coverage and lower the premium.
Nonforfeiture Benefit Requirement	14 VAC 5-200-185 B	Offer made to the policyholder. Refer to the regulation for specifics.
Contingent Benefit Upon Lapse	14 VAC 5-200-185 C	If the offer of the nonforfeiture benefit is declined, the contingent benefit upon lapse shall be provided.
Required to Offer Inflation Protection	14 VAC 5-200-100 A	



Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
Signed Acceptance for Riders and Amendments	14 VAC 5-200-70 B	All riders and/or endorsements that added to a policy after the date of issue that reduces, restricts, or eliminates benefits in the policy will require signed acceptance. Also, where a separate premium is charged for a rider or endorsement, the premium will be set forth in the policy, rider, or endorsement.
LTC Personal Suitability Worksheet	14 VAC 5-200-175-C 2	The LTC personal suitability worksheet must be submitted with the policy.
<b>Disclosures</b>		
	§ 38.2-5207 1; 14 VAC 5-200-200	The statute requires that an outline of coverage be provided to the insured. The statute also specifies the information that should be included in the outline.
	§ 38.2-5207 4; 14 VAC 5-200-70 H	A tax-qualified plan must be definitively identified as such.
	14 VAC 5-200-70 I	A non-tax-qualified plan must be identified as such.
	14 VAC 5-200-75 D	Any reference to a premium increase shall disclose that notice of premium increase shall be at least 60 days prior to the increase.
Policies that include issue ages of 65 or higher	14 VAC 5-170-150 E 1	Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate.
<b>Rates</b>		
	§ 38.2-5206	
	14 VAC 5-200-150	The regulation specifies the expected loss ratio.
	14 VAC 5-130-60 A and 130-60 B; 14 VAC 5-200-77	The regulation specifies rate filing and actuarial memorandum requirements.

**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
<http://www.scc.virginia.gov/boi/laws.aspx>

The Life and Health Division, Forms and Rates Section reviews individual long-term care insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

Review Requirements Checklist  
INDIVIDUAL LONG-TERM CARE INSURANCE

I hereby certify that I have reviewed the attached individual long-term care filing and determined that it is in compliance with the individual long-term care checklist.

Signed: Annette Hutt!

Name (please print): Annette Hutt!

Company Name: Northwestern Long-Term Care Insurance Company

Date: 2/22/2017 Phone No: (414) 665-1859 FAX No: (414) 625-7598

E-Mail Address: annettehutt!@northwesternmutual.com

Actuarial Certification  
For Long-Term Care Insurance  
Policy Form RS.LTC.(1101)

I, Gregory Gurlik, am an Actuary and officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing LTCI premiums and for filing for increases in LTCI premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

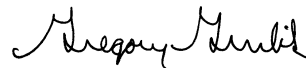
Attached are:

1. The premium rate schedule to be used for renewals of the policy forms and additional benefits as specified therein.
2. An actuarial memorandum, also signed by me, which provides:
  - a. The assumptions on which this certification is based;
  - b. The adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized.
  - c. A lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratio standards and necessary details of this state; and
  - d. Disclosure of the manner, if any, in which reserves have been recognized.

I have reviewed and taken into consideration the policy design and coverage provided, and the insurer's current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions, or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state. In my opinion, the rates are not unfairly discriminatory and the gross premiums are not excessive. This filing will enhance premium adequacy, but may not be sufficient to prevent future rate action. Therefore, rates cannot be certified as required by regulation.

The requested premium rate schedule increase is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If an average rate schedule increase of 68% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no further increases would be anticipated.



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Actuary

February 23, 2017

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Date

Inforce Policies and Premium

The table below summarizes, as of 12/31/2015, the number of policies inforce and their 2015 annual premium that will be affected by this rate increase in your state and nationwide.

RS.LTC.(1101) Prior to 10/1/2003	Number of Policies	2015 Annual Premium	Average Premium Before Rate Increase	Average Premium After Rate Increase	Average Rate Increase
Nationwide	9,955	\$27,429,557	\$2,755	\$3,520	27.7%
Virginia	238	\$610,107	\$2,563	\$3,279	27.9%

Form RS.LTC.(1101) was sold in Virginia from March 2002 to July 2008. This exhibit only includes policies issued prior to the October 1, 2003 effective date of rate stabilization.

# Northwestern Long Term Care Insurance Company

## Premium Calculation

- A = The **base premium rate** per \$10 of daily benefit based on the age, plan, benefit period, and beginning date.
- B = The **add-on premium rate** per \$10 of daily benefit for the **automatic benefit increase option**.  
If the policy has an automatic benefit increase option with an increase other than 5%, multiply the premium rate by (the % chosen / 5). Do not round.
- C = The **add-on premium rate** per \$10 of daily benefit for the **automatic additional purchase benefit option**.
- D = The **shortened benefit period premium rate for the base** per \$10 of daily benefit based on the age, plan, benefit period, and beginning date.
- E = The **add-on shortened benefit period premium rate** per \$10 of daily benefit for the **automatic benefit increase option**.  
If the policy has an automatic benefit increase option with an increase other than 5%, multiply the premium rate by (the % chosen / 5). Do not round.
- F = The **add-on shortened benefit period premium rate** per \$10 of daily benefit for the **automatic additional purchase benefit option**.
- G = The number of \$10 units (daily benefit/10).
- H = The multi-life discount factor (0.95 if applicable, 1.0 otherwise).
- I = The premium modal factor (1.0 for annual, 0.512 for semi-annual, 0.259 for quarterly, 0.087 for monthly).
- J = The spousal discount factor (0.85 if applicable, 1.0 otherwise).
- K = The **Survivorship Benefit premium percentage** that is based on the age, and the additional benefits that are present on the policy.

For each component (A through F)\*, calculate the modal premium:

- Multiply the premium rate by the multi-life discount factor (H).
- Round the result to the nearest penny.
- Multiply the result by the number of \$10 units (G).
- Multiply the result by the premium modal factor (I).
- Multiply the result by the spousal discount factor (J).
- Round the result for the component to the nearest penny.
- Repeat these steps for all the applicable components A-F.
- For example, round (AxH) to the nearest penny. Then multiply this number times (GxIxJ). This is the final number to be summed for each component.

The total modal premium without the Survivorship Benefit is the sum of each of the individual components.

When the policy has the Survivorship Benefit, the following additional steps are performed to calculate the modal Survivorship Benefit Premium:

- Calculate the total modal premium for the policy using the procedure outlined above. However, do not include any premium for the Paid-Up Nonforfeiture Benefit.
- Multiply the result by the Survivorship Benefit premium percentage (K).
- Round this result to the nearest penny.

The total modal premium for the policy including the Survivorship Benefit is the sum of the total modal premium without the Survivorship Benefit and the modal Survivorship Benefit premium.

\* Not all components will be applicable to all contracts.

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

EXPERIENCE EXHIBITS

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## 1. Credibility Standards & Practices

When analyzing the credibility of our own long-term care incidence and termination experience we typically apply a common method of measuring credibility called the “Limited Fluctuation Method” with  $P=90\%$  and  $k=3\%$ . As described on page 26 in the [American Academy of Actuaries’ Credibility Practice Note](#), a company would need 3,007 claims to be fully credible based on this standard which is a typical threshold we use for full credibility. The Limited Fluctuation Method also defines a partial credibility factor called  $Z = \text{SQRT}(N/N_f)$  (where  $0 \leq Z \leq 1$ ), as described on page 8-29 of the following SoA Study Note ([C-21-01 Study Note - Society of Actuaries](#)) where  $N$  is the number of observed claims and  $N_f$  is the number of claims for full credibility.

Section 3.5 of the [Actuarial Standard of Practice #25](#) states that “In carrying out credibility procedures, the actuary should consider the homogeneity of both the subject experience and the relevant experience. Within each set of experience, there may be segments that are not representative of the experience set as a whole.” Given that long-term care experience (morbidity, mortality, lapses, etc.) can vary greatly by many different factors (such as issue age, duration, gender, etc.), we believe it is appropriate to analyze experience only after broken down into homogeneous groups which are expected to have similar rates of experience (e.g., claim rates, termination rates, etc.).

Throughout the insurance industry there is undoubtedly a wealth of information regarding credibility practices, methodologies, and actuarial opinions and there is certainly no one “right” credibility standard. As always, actuarial judgement is required in the setting of any assumptions.

## 2. Morbidity

NLTC has a young block of business with limited claims experience. There have only been about 1,900 total claims nationwide from product inception (1998) through 12/31/15 that have met the elimination period. In Virginia there have only been 49 claims that have met the elimination period. Our claims experience has been in the early durations (exposure weighted average duration = 5) and younger attained ages (exposure weighted average attained age = 58), with virtually no claims experience at attained ages 80+ where the bulk of LTC claims are expected to occur and the true financial cost of LTC insurance will ultimately be realized. Therefore, we have not relied on our own internal claims experience to develop the morbidity assumptions used in this rate increase filing (or any new issue filing to date). Instead, we have relied on the 2014 Milliman Guidelines (as described in the Actuarial Memorandum) for our current morbidity assumptions and attribute all credibility to those assumptions.

The following tables provide the credibility estimates for our morbidity incidence experience from inception through 12/31/2015 using the Limited Fluctuation Method and the 3,007 claims standard described above. These claims are broken down by relatively homogeneous groups of issue ages, durations, and genders. As shown, the level of credibility is quite small for any given segment. The claims experience could arguably be broken down into further segments that one would reasonable expect to exhibit a different level of claims experience (e.g., benefit period, spousal discount, etc.) but we felt that this sufficiently demonstrated our overall lack of credibility.



### NLTC Partial Credibility Estimates

Tables of Partial Credibility Factors ( $Z = \text{SQRT}(N/N_i)$ )

$N$  = # of Actual NLTC Claims

3,007 = Claims for full credibility within segment ( $N_i$ );  $P = 90\%$  &  $k = 3\%$

  = Typical Claim Ages (Attained Ages 80+)

Males						Females					
Dur	Issue Age					Dur	Issue Age				
	<40	40-49	50-59	60-69	70-80		<40	40-49	50-59	60-69	70-80
1-5	3%	5%	12%	14%	13%	1-5	4%	4%	14%	17%	19%
6-10	0%	6%	13%	21%	21%	6-10	2%	6%	14%	24%	28%
11-15	0%	3%	9%	20%	18%	11-15	0%	2%	13%	24%	23%
16-20	0%	0%	0%	4%	4%	16-20	0%	0%	0%	4%	4%
21-25	0%	0%	0%	0%	0%	21-25	0%	0%	0%	0%	0%
26-30	0%	0%	0%	0%	0%	26-30	0%	0%	0%	0%	0%
31-35	0%	0%	0%	0%	0%	31-35	0%	0%	0%	0%	0%
36-40	0%	0%	0%	0%	0%	36-40	0%	0%	0%	0%	0%
41-45	0%	0%	0%	0%	0%	41-45	0%	0%	0%	0%	0%
46-50	0%	0%	0%	0%	0%	46-50	0%	0%	0%	0%	0%
51+	0%	0%	0%	0%	0%	51+	0%	0%	0%	0%	0%

In addition, and more importantly, this analysis demonstrates that we have very little experience at the attained ages where the bulk of LTC claims typically occur (attained ages 80+, which are highlighted in the tables). Claims at these older attained ages are the primary driver of the overall costs of long-term care insurance. To put this into context, most of our LTC sales are to issue ages less than 60 (representing about 70% of all of our exposure years), and it will be some time before we begin to see a meaningful amount of attained age 80+ claims.

For long term care, credibility on incidence emerges first and the credibility of claim resolution and utilization comes later. Because we do not consider our own incidence experience credible we also do not consider our resolution or utilization experience credible either.

Even though our own internal morbidity experience is not credible, we do monitor our own emerging experience and compare it to the 2014 Milliman Guidelines, which have been adjusted for our product design, underwriting and claims administration practices.

As shown in Exhibit 1 below, our limited experience has been consistent with the 2014 Milliman Guidelines when comparing overall cash claim payments. Cash claims is the combination of claim incidence, resolution and utilization and represents the overall cash impact on our financials. As shown, our total cash claim payments to date are in line with the 2014 Milliman Guidelines with an overall actual-to-expected (A/E) ratio of 105%, which does not call into question the use of the 2014 Milliman Guidelines and attributing all credibility to those assumptions.

For context, the 2014 Milliman Guidelines are based on \$18 billion of cash claims while NLTC has paid only \$174 million in cash claims (adjusted for IBNR) since inception, which is less than 1% of the experience that the 2014 Milliman Guidelines are based on.

To maximize the actual experience in the following exhibits all NLTC experience from the inception of the product line through 12/31/15 is included (even the experience of policy forms where no increase is being requested).

**Exhibit 1 - Actual to Current Expected Cash Claims**

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)  
Nationwide

<b>Calendar</b>		<b>Current Expected (2014 Milliman)</b>	<b>A / E</b>
<b>Year</b>	<b>Actual</b>		
Pre-2005	1,100,424	1,271,672	87%
2005	1,720,079	2,045,659	84%
2006	2,975,789	3,107,285	96%
2007	4,681,469	4,521,852	104%
2008	6,369,552	6,365,118	100%
2009	9,509,582	8,703,030	109%
2010	13,398,062	11,587,755	116%
2011	17,307,568	15,115,101	115%
2012	21,120,117	19,394,042	109%
2013	25,831,290	24,588,820	105%
2014	31,078,581	30,791,533	101%
2015*	39,040,149	38,073,677	103%
<b>Total</b>	<b>174,132,661</b>	<b>165,565,545</b>	<b>105%</b>

\* Includes an adjustment for incurred but not reported (IBNR)

In addition to the aggregate cash claims, comparisons of actual experience to the 2014 Milliman Guideline morbidity assumptions by component (incidence, resolutions and utilization) are also provided in the following exhibits. Comparisons of inception to 12/31/15 experience relative to the original morbidity assumptions described in the Actuarial Memorandums for each policy form are also included.

Claim incidence rates are a fundamental morbidity measure indicating the rate at which insureds go on claim. A policy is considered to be a claim once the elimination period is met. An A/E claim incidence ratio above 100% means there have been more actual incidences of claims for that period than the expected basis would have anticipated (and vice versa). However, since our NLTC policies are reimbursement products, a higher number of claims alone does not mean there will ultimately be a higher dollar amount of claim payments made.

### Exhibit 2 - Actual to Current Expected Claim Incidence

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)

Nationwide

Policy Year	Issue Ages									
	< 50		50-59		60-69		> 69		All	
	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E
1-3	9	63%	48	72%	57	50%	58	59%	172	59%
4-6	15	90%	77	80%	136	76%	157	91%	385	83%
7-9	13	74%	69	60%	188	86%	256	123%	526	94%
10+	7	40%	96	72%	375	109%	333	119%	811	103%
<b>Total</b>	<b>44</b>	<b>67%</b>	<b>290</b>	<b>70%</b>	<b>756</b>	<b>89%</b>	<b>804</b>	<b>106%</b>	<b>1,894</b>	<b>90%</b>
<b>Exposure Years</b>	<b>334,294</b>		<b>651,827</b>		<b>363,472</b>		<b>50,616</b>		<b>1,400,209</b>	
	24%		47%		26%		4%		100%	

### Exhibit 3 - Actual to Original TT.LTC.(1010) Expected Claim Incidence

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions

Nationwide

Policy Year	Issue Ages									
	< 50		50-59		60-69		> 69		All	
	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E
1-3	9	85%	48	86%	57	50%	58	71%	172	65%
4-6	15	155%	77	102%	136	72%	157	107%	385	91%
7-9	13	148%	69	82%	188	89%	256	155%	526	111%
10+	7	64%	96	85%	375	125%	333	156%	811	125%
<b>Total</b>	<b>44</b>	<b>110%</b>	<b>290</b>	<b>88%</b>	<b>756</b>	<b>93%</b>	<b>804</b>	<b>133%</b>	<b>1,894</b>	<b>105%</b>
<b>Exposure Years</b>	<b>334,294</b>		<b>651,827</b>		<b>363,472</b>		<b>50,616</b>		<b>1,400,209</b>	
	24%		47%		26%		4%		100%	

**Exhibit 4 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)  
Expected Claim Incidence**

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions  
Nationwide

Policy Year	Issue Ages									
	< 50		50-59		60-69		> 69		All	
	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E	Actual Claims	A / E
1-3	9	98%	48	103%	57	59%	58	66%	172	71%
4-6	15	183%	77	120%	136	71%	157	97%	385	90%
7-9	13	175%	69	93%	188	80%	256	132%	526	103%
10+	7	73%	96	85%	375	94%	333	121%	811	100%
<b>Total</b>	<b>44</b>	<b>128%</b>	<b>290</b>	<b>97%</b>	<b>756</b>	<b>82%</b>	<b>804</b>	<b>112%</b>	<b>1,894</b>	<b>95%</b>
<b>Exposure Years</b>	<b>334,294</b>		<b>651,827</b>		<b>363,472</b>		<b>50,616</b>		<b>1,400,209</b>	
	24%		47%		26%		4%		100%	

Claim resolutions are another fundamental morbidity measure that indicates the percentage of claimants remaining on claim each month after the elimination period has been met. Similar to claim incidence rates, claim resolution rates are on a count basis. Claim resolution rates lower than expected indicate that claimants are staying on claim longer than the expected basis would have anticipated (and vice versa). However, since our NLTC policies are reimbursement products, a lower resolutions rate alone does not mean there will ultimately be a higher dollar amount of claim payments made.

**Exhibit 5 - Actual to Current Expected Claim Resolutions**

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)  
Nationwide

<b>Claim Month</b>	<b>Actual Resolutions</b>	<b>A / E</b>
1-6	286	80%
7-12	186	87%
13-18	105	68%
19-24	93	76%
25-30	59	66%
31-36	77	95%
37-42	42	64%
43-48	28	61%
49-54	24	78%
55-60	21	65%
61+	44	80%
<b>Total</b>	<b>965</b>	<b>77%</b>

**Exhibit 6 - Actual to Original TT.LTC.(1010) Expected Claim Resolutions**

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions  
Nationwide

<b>Claim Month</b>	<b>Actual Resolutions</b>	<b>A / E</b>
1-6	286	56%
7-12	186	60%
13-18	105	47%
19-24	93	55%
25-30	59	49%
31-36	77	68%
37-42	42	45%
43-48	28	40%
49-54	24	50%
55-60	21	44%
61+	44	58%
<b>Total</b>	<b>965</b>	<b>54%</b>

**Exhibit 7 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)****Expected Claim Resolutions**

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions  
Nationwide

<b>Claim Month</b>	<b>Actual Resolutions</b>	<b>A / E</b>
1-6	286	42%
7-12	186	48%
13-18	105	39%
19-24	93	47%
25-30	59	43%
31-36	77	62%
37-42	42	43%
43-48	28	37%
49-54	24	48%
55-60	21	47%
61+	44	61%
<b>Total</b>	<b>965</b>	<b>45%</b>

Claim utilization measures the percentage of the maximum available benefit reimbursed each day/month a policy is on claim. Since our LTC policies are reimbursement products we do not expect insureds to use 100% of the maximum available benefit while on claim. Low claim utilization can help offset higher claim incidence or lower claim resolution (or vice versa). Claim utilization is the only morbidity fundamental measured on a dollar basis.

**Exhibit 8 - Actual to Current Expected Claim Utilization**

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions (2014 Milliman)  
Nationwide

<b>Policy Year</b>	<b>Actual Paid Claims*</b>	<b>Actual Utilization</b>	<b>Expected Utilization</b>	<b>A / E</b>
1-3	2,442,742	54%	71%	76%
4-6	18,393,536	58%	74%	79%
7-9	43,941,364	64%	75%	85%
10+	109,355,019	66%	78%	86%
<b>Total</b>	<b>174,132,661</b>	<b>65%</b>	<b>76%</b>	<b>85%</b>

\* Includes an adjustment for incurred but not reported (IBNR)

**Exhibit 9 - Actual to Original TT.LTC.(1010) Expected Claim Utilization**

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions  
Nationwide

<b>Policy Year</b>	<b>Actual Paid Claims*</b>	<b>Actual Utilization</b>	<b>Expected Utilization</b>	<b>A / E</b>
1-3	2,442,742	54%	91%	59%
4-6	18,393,536	58%	96%	60%
7-9	43,941,364	64%	97%	66%
10+	109,355,019	66%	96%	69%
<b>Total</b>	<b>174,132,661</b>	<b>65%</b>	<b>96%</b>	<b>67%</b>

\* Includes an adjustment for incurred but not reported (IBNR)

**Exhibit 10 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Expected Claim Utilization**

Actual = NLTC Inception through 12/31/15

Expected = RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798) Original Assumptions  
Nationwide

<b>Policy Year</b>	<b>Actual Paid Claims*</b>	<b>Actual Utilization</b>	<b>Expected Utilization</b>	<b>A / E</b>
1-3	2,442,742	54%	89%	60%
4-6	18,393,536	58%	94%	62%
7-9	43,941,364	64%	96%	66%
10+	109,355,019	66%	96%	69%
<b>Total</b>	<b>174,132,661</b>	<b>65%</b>	<b>96%</b>	<b>67%</b>

\* Includes an adjustment for incurred but not reported (IBNR)

**3. Terminations (Mortality & Lapses)**

In determining our mortality assumption, we have not relied directly on an analysis of our own reported LTC deaths for several reasons.

- Deaths tend to be underreported for LTC, so the deaths we do observe are not necessarily a good representation of actual true mortality.

- We only have younger attained age experience, and we know the majority of our deaths will occur (and the financial impact will be felt) at older attained ages where we have very little, if any, experience to-date.
- Although we have seen a little over 4,000 total reported deaths since inception, the majority of those deaths are in the early policy durations where lapses dominate our total terminations by far. For example, about 3,000 of our reported deaths are in the first 10 policy durations, during which time there were a total of nearly 35,000 lapses. Given the large difference it is difficult to separate out true mortality from the total terminations.

A large portion of our LTC policyowners also own life insurance. Therefore, in lieu of relying directly on our own LTC reported deaths to develop our mortality assumption we have instead relied on an analysis of the life insurance class that those LTC policyowners were issued as a primary input into our mortality assumption. We have over 150 years of mortality experience with our life insurance block and consider that experience fully credible.

With recent analysis done in 2015 we were able to match nearly 120,000 LTC policies to life insurance policies, which was over half of our inforce LTC block at that time. We believe that this represents the best estimate of the expected mortality for these policyowners and the analysis resulted in significantly better expected mortality than originally assumed.

Additional analysis was performed to determine the estimated mortality for those LTC policies that did not purchase life insurance by conducting life underwriting on a sampling of a few hundred LTC policies to estimate the overall expected mortality for those policies. Our final overall mortality assumption was based on the analysis above, as well as actuarial judgment, and ended up between the matched and unmatched policy analysis.

Our lapse assumption was set to result in an overall total termination assumption that was in-line with our overall total termination experience to date, given the mortality assumption described above.

For the reasons stated above we do not believe it is valuable, at least at this point, to rely on detailed comparisons of actual reported to expected deaths or lapses either in total or by segments. Even if our individual mortality or lapse experience is a bit different from our expected assumptions in isolation, what matters is that they are reasonable in total, which they are.

Although we do not rely directly on an analysis of our own reported deaths or lapses in isolation to determine our assumptions, we do compare emerging total termination experience to total expected terminations to ensure that we are in line overall. In Exhibit 11 we have provided an actual to current expected comparison of mortality, lapses, and total terminations by policy duration. To maximize the actual experience in the exhibit all NLTC experience from the inception of the product line through 12/31/15 is included (even the experience of policy forms where no increase is being requested). Comparisons of inception to 12/31/15 experience relative to the original mortality and lapse assumptions described in the Actuarial Memorandums for each policy form are also included.

Since our total termination A/E ratio is about 99% overall, we feel comfortable with our lapse and mortality assumptions. Note that as mentioned above, deaths tend to be underreported for LTC, and thus it is not surprising that the A/E's for mortality tend to be less than 100% and greater than 100% for lapses.

**Exhibit 11 - Actual to Current Expected Total Terminations**

Actual = NLTC Inception through 12/31/15

Expected = Current Assumptions

Nationwide

<b>Policy Year</b>	<b>Actual Lapses</b>	<b>A / E</b>	<b>Actual Deaths</b>	<b>A / E</b>	<b>Total Terms.</b>	<b>A / E</b>
1	8,681	100%	154	39%	8,835	97%
2	9,625	102%	251	59%	9,876	100%
3	5,710	93%	309	72%	6,019	92%
4	3,750	98%	355	86%	4,105	97%
5	2,405	96%	348	86%	2,753	95%
6	1,720	102%	335	84%	2,055	98%
7	1,211	105%	326	83%	1,537	99%
8	873	105%	326	84%	1,199	98%
9	598	194%	341	93%	939	139%
10	414	169%	296	87%	710	121%
11	315	167%	312	100%	627	125%
12	196	140%	243	89%	439	106%
13	128	130%	215	93%	343	104%
14	94	148%	176	96%	270	110%
15	60	154%	143	106%	203	117%
16	27	134%	85	100%	112	106%
17	10	152%	32	91%	42	101%
<b>Total</b>	<b>35,817</b>	<b>101%</b>	<b>4,247</b>	<b>82%</b>	<b>40,064</b>	<b>99%</b>

**Exhibit 12 - Actual to Original TT.LTC.(1010) Expected Total Terminations**

Actual = NLTC Inception through 12/31/15

Expected = TT.LTC.(1010) Original Assumptions

Nationwide

<b>Policy Year</b>	<b>Actual Lapses</b>	<b>A / E</b>	<b>Actual Deaths</b>	<b>A / E</b>	<b>Total Terms.</b>	<b>A / E</b>
1	8,681	113%	154	12%	8,835	98%
2	9,625	159%	251	20%	9,876	135%
3	5,710	119%	309	25%	6,019	100%
4	3,750	109%	355	31%	4,105	89%
5	2,405	96%	348	32%	2,753	77%
6	1,720	93%	335	33%	2,055	72%
7	1,211	91%	326	34%	1,537	67%
8	873	93%	326	36%	1,199	65%
9	598	77%	341	40%	939	58%
10	414	68%	296	39%	710	52%
11	315	74%	312	47%	627	57%
12	196	70%	243	43%	439	52%
13	128	74%	215	47%	343	55%
14	94	99%	176	52%	270	62%
15	60	123%	143	59%	203	70%
16	27	134%	85	59%	112	68%
17	10	152%	32	57%	42	67%
<b>Total</b>	<b>35,817</b>	<b>115%</b>	<b>4,247</b>	<b>33%</b>	<b>40,064</b>	<b>91%</b>



**Exhibit 13 - Actual to Original RS.LTC.(1101), RS.LTC.(0708), & RR.LTC.(0798)****Expected Total Terminations**

Expected = RS.LTC.(1101), RS.LTC.(0708),  
& RR.LTC.(0798) Original Assumptions  
Nationwide

<b>Policy Year</b>	<b>Actual Lapses</b>	<b>A / E</b>	<b>Actual Deaths</b>	<b>A / E</b>	<b>Total Terms.</b>	<b>A / E</b>
1	8,681	84%	154	10%	8,835	75%
2	9,625	118%	251	17%	9,876	103%
3	5,710	87%	309	22%	6,019	76%
4	3,750	78%	355	28%	4,105	67%
5	2,405	65%	348	30%	2,753	57%
6	1,720	57%	335	31%	2,055	50%
7	1,211	50%	326	33%	1,537	45%
8	873	44%	326	34%	1,199	41%
9	598	37%	341	39%	939	38%
10	414	33%	296	38%	710	35%
11	315	32%	312	46%	627	38%
12	196	27%	243	42%	439	34%
13	128	25%	215	46%	343	35%
14	94	28%	176	51%	270	39%
15	60	29%	143	58%	203	45%
16	27	25%	85	58%	112	44%
17	10	28%	32	55%	42	45%
<b>Total</b>	<b>35,817</b>	<b>77%</b>	<b>4,247</b>	<b>31%</b>	<b>40,064</b>	<b>66%</b>



# Northwestern Long Term Care Insurance Company™

A Northwestern Mutual Company

Northwestern Long Term Care Insurance Co.  
NAIC # 860-69000  
FEIN # 36-2258318

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February 25, 2017

This filing contains proposed rate increases for several of our inforce LTC blocks of business. All of these blocks of business are closed blocks and not currently available for sale. These guaranteed renewable products include lifetime pay premiums with benefit period offerings of three years, six years and lifetime.

This is the first time we have raised rates on inforce policies and we don't make this decision lightly. However, we believe that in the best interest of all of our policyowners, this action is prudent to sustain the financial well being of the product line, and to strengthen our ability to pay future claims. The requested rate increase on average for these policy forms is 27% of premium and would become effective on the next policy anniversary date after receiving state approval and following a 75-day policyowner notification period.

Although we could actuarially justify a higher rate increase at this time, we have decided to request less taking into consideration the impact on our policyowners. In determining our requested rate increase we have not targeted a specific loss ratio, nor have we established any long-term loss ratio targets for these blocks. Our goal is simply to meaningfully reduce our current premium shortfall now. Over the coming years we will monitor actual experience and refine our expectations with respect to future experience and, if necessary, adjust premiums as appropriate.

## **Updated Assumptions**

The requested rate increase is due to people living longer, holding onto their policies longer, going on claim more frequently, and staying on claim longer than originally assumed. We have included a summary of assumptions for the proposed filing compared to the original pricing assumptions for the policy forms impacted.

Since our LTC block of business is relatively young and thus lacks credibility, we rely on Milliman to provide us with credible industry claims data which we use to set our expectations around future morbidity. We recently received the updated 2014 Milliman Guidelines which are the basis for this rate filing's morbidity assumptions. We have compared our own very limited claims data to these new guidelines and, in total, our claims data is in line with these assumptions. However, claim costs for the policy forms covered by this filing are higher than originally assumed.

The mortality and lapse assumptions for this filing are based on current experience. As part of determining our mortality assumption for this filing, we performed an updated analysis of our anticipated LTC mortality based on the underwriting classification of our LTC insureds who have

also bought life insurance through Northwestern Mutual (NM). In addition, we performed an analysis of the expected mortality for insureds who did not previously purchase a NM life insurance product. The mortality experience study resulted in lower expected mortality rates than originally assumed for these policy forms. The lapse assumptions for this filing are based on actual lapse experience, which is lower than originally assumed for these policy forms.

There are morbidity, mortality and lapse experience exhibits included in this filing to support our current assumptions outlined in the Actuarial Memorandum.

### **Policyowner Options**

We understand that an inforce rate increase may be difficult for our policyowners, so that is why we are offering several options for reducing coverage if they decide not to maintain their current coverage level. These options include decreasing their benefit period, decreasing their maximum monthly or daily limit (MML/MDL), decreasing their inflation percentage or dropping it altogether, increasing their elimination period, dropping any additional benefits, or some combination of these benefit reduction options.

Even though this rate increase does not meet the definition of a substantial premium increase under the NAIC LTC Model Regulation for the majority of policies involved, we are providing the Contingent Non-forfeiture Benefit to all policyowners with the lifetime premium payment period who do not pay their premiums within 120 days of their rate increase premium due date. This paid up benefit would be equal to the sum of premiums paid from issue. Policyowners with limited pay premium payment periods have the NAIC's optional Non-forfeiture Benefit automatically included in their policies, and will be administered under the provisions of that feature.

### **Policyowner Notification Letter**

To help our policyowners plan for this rate increase and to comply with 14 VAC 5-200-185, policyowners will be notified at least 75 days prior to the due date of the premium reflecting the rate increase. This will satisfy the required rate increase notification and consumer disclosure elements outlined in the revised NAIC model regulation, model bulletin, and Guidance Manual within the mandatory timeframes for notice and policyowner action. In addition, this letter will lay out policyowner options for maintaining or reducing their premiums and the resulting impact each option has on their premium. This additional information will help our clients to make an informed decision regarding their rate increase. A sample of the letter is included in this filing.

### **Filing Status**

We have filed for rate increases in most states and intend to have all of our filing completed within the next month. To-date we have received approvals in 27 states. In the majority of those states we have received approval for increases at or very near what was requested. Only a handful of states have capped our rate increase request and virtually all of those states have indicated that we would be able to file for any remaining portion of the requested increase within one year's time. A detailed summary of the current filing status can be found in the spreadsheet entitled "Filing Status (VA)".

After a thorough review of this filing, we hope that you agree that the proposed rates are justified and appropriate in order to provide us with a prompt approval. Please review the additional

supporting materials included in this filing and feel free to let me know if you have any additional questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Gurlik". The signature is fluid and cursive, with the first name "Gregory" and last name "Gurlik" clearly distinguishable.

Gregory Gurlik, FSA, MAAA  
Actuary

# Northwestern Long Term Care Insurance Company

## Side by Side Comparison of UU.LTC(1014)Rev New Business Premium Rates and RS.LTC.(1101) Revised Premium Rates

The UU.LTC(1014)Rev policy form currently available for sale has two spousal/companion discounts available, a spousal one insured discount and a spousal two insured discount. The spousal one discount is for an individual who has a spouse or companion but their spouse or companion does not apply or is not medically approved for coverage. The spousal two discount is available for an individual if both associated spouses are medically approved for a current series policy and both policies are put in force. The RS.LTC.(1101) policy form only has one spousal/companion discount. This discount is a spousal two insured discount, where both spouses must have applied and been insurable in order to be eligible for the discount. Since RS.LTC.(1101) does not have a spousal one discount, the premiums for the UU.LTC(1014)Rev spousal one premiums are compared to the RS.LTC.(1101) single premiums in this document. The UU.LTC(1014)Rev single and spousal two premiums are compared to the corresponding RS.LTC.(1101) single and spousal two premiums.

Premium rates under the UU.LTC(1014)Rev policy form are on a sex distinct basis, whereas RS.LTC.(1101) premium rates are on a sex neutral basis. In order to compare the sex neutral rates to the sex distinct rates, the following Male-Female blend has been applied to the UU.LTC(1014)Rev rates for each discount type, consistent with the actual in force gender mix for RS.LTC.(1101):

Single/Spousal 1: 38% Male, 62% Female

Spousal 2: 50% Male, 50% Female

The UU.LTC(1014)Rev policy form provides reimbursement up to a monthly limit and a 12 week elimination period, whereas the RS.LTC.(1101) forms provide reimbursement up to a daily limit and a 91 day beginning date. Since the monthly amount provides greater value to the policyholder, we have reduced the UU.LTC(1014)Rev new business premiums by 5% for the comparisons to RS.LTC.(1101) in this document.

The RS.LTC.(1101) revised premium rates are lower than the UU.LTC(1014)Rev new business premium rates for all policy types and issue ages.

# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 38% Male, 62% Female Blend, 12 Week Elimination Period

No Discount/Single

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	541	847	-36%
30	541	930	-42%
35	541	1,035	-48%
40	541	1,156	-53%
52	897	1,543	-42%
57	1,144	1,875	-39%
62	1,550	2,392	-35%
67	2,296	3,367	-32%
72	3,763	4,993	-25%
77	5,458	7,348	-26%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	2,624	10,196	-74%
30	2,624	9,379	-72%
35	2,624	8,726	-70%
40	2,624	8,082	-68%
52	3,086	6,752	-54%
57	3,390	6,675	-49%
62	3,935	6,831	-42%
67	5,007	7,984	-37%
72	7,043	9,942	-29%
77	9,057	12,297	-26%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	570	868	-34%
30	570	955	-40%
35	570	1,064	-46%
40	570	1,188	-52%
52	955	1,593	-40%
57	1,221	1,934	-37%
62	1,663	2,483	-33%
67	2,469	3,507	-30%
72	4,064	5,251	-23%
77	5,913	7,874	-25%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	721	1,151	-37%
30	721	1,287	-44%
35	721	1,464	-51%
40	721	1,654	-56%
52	1,215	2,298	-47%
57	1,555	2,846	-45%
62	2,113	3,713	-43%
67	3,131	5,246	-40%
72	5,137	7,820	-34%
77	8,161	11,752	-31%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	3,751	15,362	-76%
30	3,751	14,096	-73%
35	3,751	13,116	-71%
40	3,751	12,092	-69%
52	4,377	10,037	-56%
57	4,791	9,938	-52%
62	5,538	10,187	-46%
67	7,018	11,950	-41%
72	9,936	14,879	-33%
77	13,886	18,811	-26%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	787	1,212	-35%
30	787	1,358	-42%
35	787	1,546	-49%
40	787	1,753	-55%
52	1,341	2,443	-45%
57	1,727	3,047	-43%
62	2,354	3,999	-41%
67	3,505	5,711	-39%
72	5,772	8,635	-33%
77	9,209	13,530	-32%

# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 38% Male, 62% Female Blend, 12 Week Elimination Period

Spousal - One Insured Discount

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	541	804	-33%
30	541	883	-39%
35	541	983	-45%
40	541	1,098	-51%
52	897	1,466	-39%
57	1,144	1,781	-36%
62	1,550	2,272	-32%
67	2,296	3,198	-28%
72	3,763	4,744	-21%
77	5,458	6,981	-22%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	2,624	9,686	-73%
30	2,624	8,910	-71%
35	2,624	8,290	-68%
40	2,624	7,677	-66%
52	3,086	6,414	-52%
57	3,390	6,341	-47%
62	3,935	6,489	-39%
67	5,007	7,585	-34%
72	7,043	9,445	-25%
77	9,057	11,682	-22%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	570	825	-31%
30	570	907	-37%
35	570	1,011	-44%
40	570	1,129	-49%
52	955	1,513	-37%
57	1,221	1,838	-34%
62	1,663	2,359	-29%
67	2,469	3,332	-26%
72	4,064	4,989	-19%
77	5,913	7,480	-21%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	721	1,094	-34%
30	721	1,223	-41%
35	721	1,390	-48%
40	721	1,572	-54%
52	1,215	2,183	-44%
57	1,555	2,704	-42%
62	2,113	3,528	-40%
67	3,131	4,984	-37%
72	5,137	7,429	-31%
77	8,161	11,164	-27%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	3,751	14,594	-74%
30	3,751	13,392	-72%
35	3,751	12,460	-70%
40	3,751	11,488	-67%
52	4,377	9,536	-54%
57	4,791	9,441	-49%
62	5,538	9,677	-43%
67	7,018	11,353	-38%
72	9,936	14,135	-30%
77	13,886	17,871	-22%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	787	1,152	-32%
30	787	1,290	-39%
35	787	1,469	-46%
40	787	1,665	-53%
52	1,341	2,321	-42%
57	1,727	2,894	-40%
62	2,354	3,799	-38%
67	3,505	5,426	-35%
72	5,772	8,203	-30%
77	9,209	12,853	-28%

# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC(1014)Rev Sex Distinct New Business Rates - 50% Male, 50% Female Blend, 12 Week Elimination Period

Spousal - Two Insured Discount

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	460	657	-30%
30	460	720	-36%
35	460	799	-42%
40	460	889	-48%
52	763	1,177	-35%
57	972	1,432	-32%
62	1,318	1,827	-28%
67	1,951	2,565	-24%
72	3,199	3,792	-16%
77	4,639	5,574	-17%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	2,231	7,679	-71%
30	2,231	7,059	-68%
35	2,231	6,558	-66%
40	2,231	6,062	-63%
52	2,623	5,028	-48%
57	2,881	4,972	-42%
62	3,345	5,107	-34%
67	4,256	5,960	-29%
72	5,987	7,447	-20%
77	7,698	9,229	-17%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	485	674	-28%
30	485	738	-34%
35	485	821	-41%
40	485	912	-47%
52	812	1,212	-33%
57	1,038	1,475	-30%
62	1,414	1,893	-25%
67	2,099	2,667	-21%
72	3,454	3,977	-13%
77	5,026	5,954	-16%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	613	887	-31%
30	613	990	-38%
35	613	1,121	-45%
40	613	1,263	-51%
52	1,033	1,744	-41%
57	1,321	2,161	-39%
62	1,796	2,816	-36%
67	2,661	3,971	-33%
72	4,366	5,893	-26%
77	6,937	8,841	-22%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	3,188	11,517	-72%
30	3,188	10,558	-70%
35	3,188	9,811	-68%
40	3,188	9,026	-65%
52	3,721	7,438	-50%
57	4,072	7,372	-45%
62	4,707	7,587	-38%
67	5,966	8,882	-33%
72	8,445	11,077	-24%
77	11,803	14,025	-16%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC(1014)Rev	Difference
25	669	932	-28%
30	669	1,042	-36%
35	669	1,182	-43%
40	669	1,335	-50%
52	1,140	1,850	-38%
57	1,468	2,306	-36%
62	2,001	3,023	-34%
67	2,979	4,305	-31%
72	4,906	6,479	-24%
77	7,827	10,104	-23%



NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

<u>Product Name</u>	<u>Policy Form Number</u>	<u>Issue Date Range*</u>
QuietCare RS	RS.LTC.(1101)	March 2002 – October 2003
		(*see exhibit 2 for state's ranges)

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## 1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the policy series forms listed on page 1. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

## 2. Requested Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period. The requested rate increase for 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new issue business rates. The rate increases adhere to the following restrictions:

- a. We ensure that the proposed rate increase does not result in premium rates that exceed the rates for new business. This is demonstrated in the attached premium rate comparison.
- b. We ensure that the resulting overall increase in rates satisfies the pre-rate stability rule outlined in 14VAC5-200-150 B, whereby benefits are deemed reasonable in relation to premiums provided the expected loss ratio is the greater of 60% or the lifetime loss ratio using in the original pricing applied to the current rate schedule, plus 80% applied to any premium rate increase. This is demonstrated in Exhibit 1.
- c. The lifetime loss ratio after the proposed rate increase is greater than or equal to the lifetime loss ratio targeted in the original filing from this form.

New proposed rate tables for these policy forms are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

The number of policyowners and amount of inforce premium, as of December 31, 2015, for your state and nationwide, are displayed in Exhibit 2. The exhibit also shows the average annual premium before and after the proposed rate increase.

## 3. Reason for Rate Increase Request

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the forms specified above, the projected lifetime loss ratio based on the assumptions outlined in this memo is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. The requested premium rate schedule increase is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the rate schedule increase of 68% were requested and

implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated.

#### 4. Rate Increase History

We have not requested any previous rate increases on these policy forms, either in your state or on a nationwide basis.

#### 5. Benefit Descriptions

This policy provides comprehensive long term care coverage, and reimburses eligible expenses of the insured up to the daily limits of the policy. The product is priced to have level premiums. All premiums are guaranteed renewable. If the policy becomes paid-up it becomes non-cancellable. The product is available at issue ages 18-79. Premiums are on a sex neutral basis.

The insured chooses a daily limit, benefit period, elimination period, and home and community care coverage percentage. The plan reimburses eligible expenses up to the daily limits once the elimination period is satisfied. The plan continues to reimburse expenses until eligible expenses are no longer incurred or benefits are exhausted.

Care can be provided by licensed health care practitioners in licensed nursing homes, alternate living facilities, the home, and adult day care agencies. Respite care is also covered.

Two indexing options are available. The first option, called the Automatic Benefit Increase option, is a level premium product with the daily limit and the Benefit Account Value remaining indexing at 3%, 4%, or 5% per year. The insured chooses the indexing percentage at issue.

The second option, called the Automatic Additional Purchase Benefit, provides a level benefit while the insured does not require LTC benefits. The daily limit and the Benefit Account Value remaining begin indexing at 5% per year if and when the insured is on claim. Also under this option, the insured has the option of purchasing an additional amount of coverage, equal to 5% of the prior year's daily limit, each year while not on claim. This additional coverage also increases the Benefit Account Value. The premiums for the additional coverage are level and are based on the insured's current attained age. The insured can continue to purchase the additional coverage under this option until the later of age 85 or the tenth policy anniversary, or until the insured has refused two of the optional increases in coverage.

All plans include the waiver of premium benefit.

An optional non-forfeiture benefit and survivorship benefit are also available. The non-forfeiture benefit, called Paid-up Nonforfeiture Benefit, provides paid-up coverage when premium payments stop on or after the third policy anniversary via a smaller Benefit Account Value. Although we are filing for a premium rate increase, the premiums under the non-forfeiture benefit are not changing at this time.

The survivorship benefit, called the Survivorship Benefit, is a benefit that can be purchased when two spouses each purchase an NLTC long-term care policy. This benefit will change the status of the second insured's policy to fully paid up, beginning at the later of the death of

the first insured, and the first anniversary after the benefit on the surviving insured's policy has been paid for and in force for 7 years.

One underwriting class exists for all policies issued. The policy is participating.

6. Renewability

All policy forms listed above are guaranteed renewable.

7. Applicability

This filing is applicable to in force policies only, as this policy form is no longer being sold in your state or nationwide. The premium changes will apply to the base form as well as to all applicable additional benefits. The premium change will also apply to future purchase option elections under the Automatic Additional Purchase Benefit. The premium changes will not apply to policies which have already reached paid-up status.

The company remains in the market, and currently sells similar long-term care insurance.

8. Marketing Method

All policy forms listed above were marketed by Northwestern Mutual's (parent company of NLTC) career captive field force.

9. Issue Age Ranges

Issue ages are from 18 to 79.

10. Actuarial Assumptions – Updated

This section includes the current assumptions used to justify the premium rate increase. These assumptions do not include any margin for adverse experience.

A. Morbidity - Updated

Claim costs from Milliman's 2014 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines have been developed in conjunction with professionals in several Milliman offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment. The guidelines are a continually evolving rating structure that are modified as more experience becomes available.

The 2014 Milliman Guidelines were tailored to reflect NLTC's underwriting standards and claims administration practices. Milliman develops morbidity selection factors for three levels of underwriting: looser underwriting, average underwriting, and stricter underwriting. Milliman determined after analyzing NLTC's underwriting standards and practices that we fall in the stricter underwriting category. Milliman also came in to look at our claims administration practices to adjust the 2014 Milliman Guidelines in order to be more in line with how we administer long-term care claims. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC's specific product design.

We also reviewed how the 2014 Milliman Guidelines compare to our own limited amount of long-term care claims data and our cash claim payments are in line with the expected basis. Since the 2014 Guidelines provided by Milliman were based on long-term care policies with specific benefits equal to what these policy forms offer, our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.

No morbidity improvement was assumed in pricing.

Appendix I shows a sample of claim costs used in determining the premium rate increase.

B. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate. Normal renewal commission rates will be applied on any increase in premium.

C. Mortality - Updated

Our mortality assumptions were developed using internal company experience and include underwriting selection factors. Mortality improvement is also assumed through attained age 105.

In comparing the pricing mortality table used to the 1994 Group Annuitant Mortality (94 GAM) table used for valuation, the pricing ultimate rates are more conservative for the majority of issue ages. However, the biggest difference between the two tables is not the ultimate rates but that the pricing mortality recognizes lower mortality rates on recently underwritten business (mortality selection) and improved mortality over time (mortality improvement). Thus, the pricing mortality is more conservative than the table used for valuation (94 GAM) which does not have selection or improvement.

D. Lapse – Updated

Policy Year	%
1	3.400%
2	4.300%
3	3.200%
4	2.500%
5	2.000%
6	1.600%
7	1.300%
8	1.100%
9	0.500%
10+	0.500%

Lapse Adjustment by Issue Age: The following table of multipliers was used to adjust lapse rates for policies issued at older ages.

<b>Updated Lapse Adjustment by Issue Age</b>			
<b>Policy Year</b>	<b>Issue Ages 18-69</b>	<b>Issue Ages 70-74</b>	<b>Issue Ages 75-79</b>
1	100%	100%	90%
2	100%	100%	75%
3	100%	100%	60%
4	100%	100%	45%
5	100%	100%	30%
6	100%	100%	15%
7	100%	100%	0%
8	100%	100%	0%
9	100%	100%	0%
10	100%	80%	0%
11	100%	60%	0%
12	100%	40%	0%
13	100%	20%	0%
14+	100%	0%	0%

Lapse Adjustment for Paid-Up Nonforfeiture Benefit – These multipliers remain the same as those used for the original pricing.

E. Interest

Discounting and accumulating of earned premiums and incurred claims for the purpose of calculating historical, future anticipated and lifetime loss ratios was performed using the maximum valuation interest rate.

F. Distribution

Distribution of Business by Issue Age:

<b><u>Issue Age</u></b>	<b><u>Expected Distribution</u></b>	<b><u>Actual Distribution</u></b>
52	5%	45%
57	20%	26%
62	35%	18%
67	25%	8%
72	10%	2%
77	5%	1%

Average issue age = 54.7

Distribution of Business by Plan:

<u>Benefit Period</u> <u>(Years)</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
3	10%	9%
6	25%	27%
Lifetime	65%	64%
<u>Elimination Period</u> <u>(Weeks)</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
6	15%	6%
12	70%	86%
25	15%	8%
<u>Home &amp; Community</u> <u>Care %</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
100%	85%	84%
50%	15%	6%

Distribution of Business by Sex:

<u>Sex</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
Male	40%	47%
Female	60%	53%

Distribution of Business by Indexing Option:

<u>Indexing Option</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
None	25%	16%
Automatic Benefit Increase	5%	16%
Automatic Additional Purchase Benefit	70%	68%

11. Actuarial Assumptions - Original

The initial premium rate schedule was based on the originally filed pricing assumptions which were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed. The original pricing assumptions for morbidity, voluntary termination rates, and mortality were as follows:

A. Morbidity - Original

The Milliman & Robertson (M&R) Internal Guidelines for Long Term Care Claim Costs were used for morbidity estimates. These Guidelines were developed in conjunction with professionals in several M&R offices during the mid-1990s and reflect actual experience of various carriers at that time, numerous studies of non-insurance data and actuarial judgment. The guidelines were established with a continually evolving rating structure that allow for modifications over time as more experience becomes available.



Underwriting adjustments were applied by policy year to reflect the morbidity anticipated due to underwriting. These factors were based on experience reviewed by M&R for benefit plans similar to NLTC with modifications to reflect the level of underwriting. For the Automatic Additional Purchase Benefit option, composite selection factors were calculated from the factors above recognizing that initial underwriting will wear off over time. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC specific underwriting and product design.

Appendix II shows claim costs used in developing original premiums.

B. Mortality - Original

1983 Individual Annuitant Mortality

C. Lapse - Original

Policy Year	Lapse Rate
1	4.00%
2	3.60%
3	3.30%
4	3.05%
5	2.90%
6	2.80%
7	2.70%
8	2.60%
9	2.55%
10+	2.50%

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - The following table of multipliers was used to adjust lapse rates for those policies with the Paid-Up Nonforfeiture Benefit (NFB) option:

Policy Year	Lapse Adjustment Multiplier for NFB
1	50%
2	0%
3	200%
4	170%
5+	110%

12. Underwriting

Medical underwriting was required for individual policies issued under this policy form and varied by issue age. LTC underwriting takes into account conditions or combinations of medical conditions that are likely to result in an impending need for services. There was one standard underwriting class for these policy forms.

### 13. Premium Classes

Premiums are unisex and payable for life, except if the policy becomes paid up as described in Section 5 above. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit period, elimination period, inflation option, premium mode, home and community care coverage percentage, marital status, and additional benefits.

A multi-life discount of 5% is also applied where policies were marketed to three or more lives of an employer/employee group or ten or more lives of an association group. The discount was available to members and retirees of these groups, as well as their parents, spouses, and spouses' parents.

### 14. Reserve Basis

#### A. Base Plans

Statutory Reserve Basis - Statutory Active Life Reserves are based on the claim costs developed for this plan increased by 20-25%, varying by issue age. A one-year preliminary term method with 1994 Group Annuitant Mortality (94 GAM) and 4.0% or 4.5% interest is used, based on year of issue. Lapse rates are included in the reserve calculations. Specifically, the following formula for total termination rates (TTRs) is used:

TTR = Lessor of:   a)       1994 GAM plus lessor of:  
                                  i)       8% for durations 1-4  
                                              4% for duration 5 and later; or  
                                  ii)      80% of pricing lapse rate;  
                                  And  
                                  b)       80% of pricing total termination rate.

Disabled life reserves use the claim costs developed for this plan and the maximum statutory valuation interest rate by calendar year of claim onset.

Since the perceived appropriateness of reserve assumptions can change after issue, the company performs annual asset adequacy testing for its LTC block overall. Additional actuarial reserves due to asset adequacy testing have been held since 2012, and as of December 31, 2016, \$265 million was held for the LTC product line.

#### B. Paid-Up Nonforfeiture Benefit

Paid-Up Nonforfeiture Benefit Reserves use the same assumptions as the base plan except where noted below. Active life reserves are equal to:

- a. The greater of:
  - 1. The LTC active life reserve, and
  - 2. The lapse benefit
- plus
- b. The Paid-Up Nonforfeiture Benefit Reserve

where:

The LTC active life reserve is consistent with the base policy.

The lapse benefit is equal to the present value of future claims for an insured if the policy is lapsed in the following year.

The Paid-Up Nonforfeiture Benefit Reserve is equal to the present value of future claims for all insureds currently in paid-up status.

## Appendix I – Sample Claim Costs (Repricing)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

Sample Claim Costs Per \$1 of Daily Benefit												
3 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	100% HHC						50% HHC					
	Male			Female			Male			Female		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.558	0.490	0.410	0.416	0.363	0.300	0.402	0.353	0.295	0.299	0.262	0.216
65	1.438	1.260	1.046	1.532	1.347	1.125	1.040	0.911	0.756	1.107	0.974	0.813
75	5.574	4.875	4.012	6.940	6.145	5.181	4.346	3.801	3.128	5.412	4.791	4.040
85	22.796	19.920	16.313	32.494	28.874	24.483	19.507	17.046	13.958	27.807	24.708	20.950
95	48.257	41.378	32.595	78.732	69.591	58.301	43.708	37.475	29.518	71.310	63.028	52.799

Sample Claim Costs Per \$1 of Daily Benefit												
6 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	100% HHC						50% HHC					
	Male			Female			Male			Female		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.962	0.851	0.719	0.709	0.625	0.525	0.692	0.612	0.517	0.510	0.450	0.378
65	2.393	2.109	1.765	2.592	2.294	1.935	1.730	1.524	1.276	1.874	1.658	1.398
75	8.751	7.675	6.340	11.702	10.395	8.809	6.823	5.984	4.942	9.125	8.105	6.868
85	34.666	30.332	24.875	54.227	48.226	40.897	29.663	25.953	21.282	46.402	41.265	34.992
95	69.059	59.342	46.904	122.987	108.557	90.552	62.544	53.741	42.472	111.386	98.313	82.000

Sample Claim Costs Per \$1 of Daily Benefit												
Lifetime Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	100% HHC						50% HHC					
	Male			Female			Male			Female		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.540	1.375	1.181	1.270	1.136	0.979	1.108	0.990	0.850	0.914	0.818	0.704
65	3.690	3.285	2.798	4.400	3.940	3.394	2.667	2.374	2.022	3.180	2.847	2.452
75	12.580	11.138	9.361	18.713	16.763	14.433	9.809	8.684	7.298	14.591	13.070	11.252
85	48.110	42.480	35.460	82.748	74.112	63.701	41.168	36.348	30.339	70.808	63.415	54.503
95	95.632	83.314	67.683	179.789	160.085	135.830	86.612	75.451	61.290	162.832	144.980	123.005

### Appendix I– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
3 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.596	0.527	0.447	0.443	0.390	0.327	0.429	0.379	0.322	0.319	0.281	0.236
65	1.534	1.353	1.140	1.635	1.447	1.226	1.109	0.978	0.824	1.181	1.046	0.886
75	5.936	5.226	4.363	7.416	6.608	5.651	4.629	4.075	3.402	5.783	5.153	4.406
85	24.255	21.329	17.718	34.750	31.070	26.708	20.756	18.251	15.161	29.738	26.587	22.853
95	51.081	44.088	35.266	84.057	74.748	63.474	46.265	39.930	31.937	76.133	67.700	57.485

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
6 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.076	0.959	0.823	0.792	0.704	0.601	0.775	0.690	0.592	0.570	0.506	0.432
65	2.664	2.364	2.010	2.894	2.579	2.209	1.925	1.709	1.453	2.091	1.864	1.597
75	9.656	8.526	7.148	13.065	11.682	10.044	7.529	6.647	5.572	10.187	9.108	7.831
85	38.060	33.514	27.882	60.476	54.115	46.519	32.567	28.677	23.856	51.749	46.304	39.802
95	74.869	64.772	52.001	135.797	120.566	101.893	67.807	58.659	47.088	122.988	109.189	92.271

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
Lifetime Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.908	1.716	1.496	1.676	1.513	1.326	1.373	1.235	1.076	1.206	1.089	0.955
65	4.464	4.002	3.460	5.644	5.092	4.457	3.227	2.892	2.500	4.079	3.680	3.221
75	14.631	13.038	11.114	23.079	20.808	18.164	11.409	10.166	8.665	17.995	16.224	14.162
85	54.953	48.818	41.308	98.771	88.953	77.391	47.023	41.772	35.343	84.519	76.115	66.218
95	106.745	93.605	77.174	207.005	185.294	159.084	96.677	84.772	69.886	187.482	167.812	144.065

## Appendix II– Sample Claim Costs (Original Pricing)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
3 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.877	0.77	0.688	0.873	0.766	0.687	0.691	0.607	0.543	0.663	0.586	0.528
65	2.154	1.834	1.629	2.765	2.4	2.165	1.56	1.338	1.185	2.171	1.897	1.714
75	6.933	5.805	5.048	9.006	7.775	7.032	5.435	4.614	4.029	7.469	6.514	5.911
85	19.95	16.651	14.198	31.413	27.37	24.891	16.126	13.677	11.752	27.236	23.927	21.79
95	38.46	31.6	26.015	49.535	42.702	37.749	33.301	27.662	22.905	43.148	37.497	33.232

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
6 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.225	1.083	0.976	1.257	1.112	1.008	0.873	0.711	0.694	0.865	0.768	0.7
65	2.771	2.371	2.114	3.814	3.332	3.03	1.871	1.611	1.436	2.84	2.498	2.278
75	8.484	7.144	6.234	12.187	10.58	9.601	6.511	5.557	4.871	9.809	8.602	7.834
85	23.342	19.544	16.653	41.895	36.585	33.129	18.647	15.871	13.662	35.715	31.464	28.596
95	44.036	36.331	29.937	63.308	54.88	48.667	37.961	31.664	26.285	55.261	48.32	43.092

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
Lifetime Benefit Period: No Indexing by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.706	1.512	1.369	1.865	1.66	1.517	1.127	0.996	0.899	1.191	1.061	0.971
65	3.53	3.027	2.704	5.266	4.618	4.212	2.339	2.018	1.8	3.856	3.403	3.111
75	10.463	8.822	7.705	16.093	14	12.711	7.962	6.802	5.961	12.779	11.224	10.219
85	28.157	23.594	20.104	53.011	46.284	41.794	22.498	19.16	16.495	44.934	39.57	35.866
95	52.702	43.508	35.866	78.935	68.377	60.41	45.44	37.923	31.498	68.836	60.127	53.41

## Appendix II– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
3 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b>100% HHC</b>						<b>50% HHC</b>					
	<b>Male</b>			<b>Female</b>			<b>Male</b>			<b>Female</b>		
<u>Age</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.949	0.84	0.764	0.947	0.838	0.764	0.772	0.686	0.623	0.749	0.668	0.613
65	2.323	1.993	1.799	2.986	2.611	2.393	1.721	1.489	1.341	2.397	2.112	1.937
75	7.419	6.261	5.527	9.699	8.436	7.746	5.881	5.031	4.457	8.165	7.174	6.6
85	21.278	17.893	15.48	33.813	29.674	27.368	17.327	14.798	12.885	29.605	26.185	24.159
95	40.804	33.789	28.23	53.047	46.053	41.278	35.475	29.693	24.933	46.484	40.669	36.521

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
6 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b>100% HHC</b>						<b>50% HHC</b>					
	<b>Male</b>			<b>Female</b>			<b>Male</b>			<b>Female</b>		
<u>Age</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.402	1.25	1.146	1.449	1.294	1.195	1.032	0.92	0.843	1.044	0.936	0.868
65	3.114	2.687	2.435	4.33	3.814	3.522	2.133	1.853	1.679	3.282	2.911	2.696
75	9.365	7.952	7.046	13.728	12.012	11.064	7.245	6.234	5.546	11.177	9.876	9.123
85	25.462	21.486	18.568	46.934	41.281	37.879	20.448	17.53	15.291	40.286	35.734	32.888
95	47.613	39.607	33.117	70.162	61.286	55.122	41.173	34.619	29.146	61.629	54.286	49.086

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
Lifetime Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b>100% HHC</b>						<b>50% HHC</b>					
	<b>Male</b>			<b>Female</b>			<b>Male</b>			<b>Female</b>		
<u>Age</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	2.137	1.913	1.764	2.478	2.229	2.078	1.396	1.247	1.145	1.598	1.44	1.345
65	4.116	3.562	3.236	6.522	5.776	5.359	2.734	2.381	2.159	4.824	4.298	3.995
75	11.78	10.018	8.888	19.08	16.74	15.43	8.987	7.741	6.884	15.212	13.469	12.437
85	30.984	26.169	22.613	60.89	53.538	48.94	24.878	21.343	18.62	51.836	45.951	42.141
95	57.332	47.733	39.934	88.989	77.645	69.478	49.58	41.719	35.151	78.016	68.618	61.715

### Appendix III – Ratio of Current to Original Claim Costs

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

Sample Claim Costs Per \$1 of Daily Benefit												
3 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	64%	64%	60%	48%	47%	44%	58%	58%	54%	45%	45%	41%
65	67%	69%	64%	55%	56%	52%	67%	68%	64%	51%	51%	47%
75	80%	84%	79%	77%	79%	74%	80%	82%	78%	72%	74%	68%
85	114%	120%	115%	103%	105%	98%	121%	125%	119%	102%	103%	96%
95	125%	131%	125%	159%	163%	154%	131%	135%	129%	165%	168%	159%

Sample Claim Costs Per \$1 of Daily Benefit												
6 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	79%	79%	74%	56%	56%	52%	79%	86%	74%	59%	59%	54%
65	86%	89%	83%	68%	69%	64%	92%	95%	89%	66%	66%	61%
75	103%	107%	102%	96%	98%	92%	105%	108%	101%	93%	94%	88%
85	149%	155%	149%	129%	132%	123%	159%	164%	156%	130%	131%	122%
95	157%	163%	157%	194%	198%	186%	165%	170%	162%	202%	203%	190%

Sample Claim Costs Per \$1 of Daily Benefit												
Lifetime Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	90%	91%	86%	68%	68%	65%	98%	99%	95%	77%	77%	73%
65	105%	109%	103%	84%	85%	81%	114%	118%	112%	82%	84%	79%
75	120%	126%	121%	116%	120%	114%	123%	128%	122%	114%	116%	110%
85	171%	180%	176%	156%	160%	152%	183%	190%	184%	158%	160%	152%
95	181%	191%	189%	228%	234%	225%	191%	199%	195%	237%	241%	230%



### Appendix III– Ratio of Current to Original Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
3 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b><u>100% HHC</u></b>						<b><u>50% HHC</u></b>					
	<b><u>Male</u></b>			<b><u>Female</u></b>			<b><u>Male</u></b>			<b><u>Female</u></b>		
<b><u>Age</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>
55	63%	63%	59%	47%	47%	43%	56%	55%	52%	43%	42%	38%
65	66%	68%	63%	55%	55%	51%	64%	66%	61%	49%	50%	46%
75	80%	83%	79%	76%	78%	73%	79%	81%	76%	71%	72%	67%
85	114%	119%	114%	103%	105%	98%	120%	123%	118%	100%	102%	95%
95	125%	130%	125%	158%	162%	154%	130%	134%	128%	164%	166%	157%

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
6 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b><u>100% HHC</u></b>						<b><u>50% HHC</u></b>					
	<b><u>Male</u></b>			<b><u>Female</u></b>			<b><u>Male</u></b>			<b><u>Female</u></b>		
<b><u>Age</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>
55	77%	77%	72%	55%	54%	50%	75%	75%	70%	55%	54%	50%
65	86%	88%	83%	67%	68%	63%	90%	92%	87%	64%	64%	59%
75	103%	107%	101%	95%	97%	91%	104%	107%	100%	91%	92%	86%
85	149%	156%	150%	129%	131%	123%	159%	164%	156%	128%	130%	121%
95	157%	164%	157%	194%	197%	185%	165%	169%	162%	200%	201%	188%

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
Lifetime Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained	<b><u>100% HHC</u></b>						<b><u>50% HHC</u></b>					
	<b><u>Male</u></b>			<b><u>Female</u></b>			<b><u>Male</u></b>			<b><u>Female</u></b>		
<b><u>Age</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>	<b><u>46</u></b>	<b><u>91</u></b>	<b><u>181</u></b>
55	89%	90%	85%	68%	68%	64%	98%	99%	94%	75%	76%	71%
65	108%	112%	107%	87%	88%	83%	118%	121%	116%	85%	86%	81%
75	124%	130%	125%	121%	124%	118%	127%	131%	126%	118%	120%	114%
85	177%	187%	183%	162%	166%	158%	189%	196%	190%	163%	166%	157%
95	186%	196%	193%	233%	239%	229%	195%	203%	199%	240%	245%	233%

Actuarial Certification

I, Gregory Gurlik, am an Actuary and an officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I wrote the Actuarial Memorandum for the rate increase filing for forms RS.LTC.(1101). The assumptions used as stated in this memorandum are reasonable and realistic for this product. To the best of my knowledge and judgment, this filing complies with the laws and regulations of your state and the benefits are reasonable in relation to the premiums charged.



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Actuary

April 10, 2017

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Date

## **Explanation of Assumptions and Rate Increase**

The company is requesting an average rate increase of 28% with the rate increase varying by benefit period for the pre-rate stabilization policies on the RS.LTC.(1101) policy form. The requested rate increase for 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new issue business rates.

New proposed rate tables for these policy forms are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the forms specified above, the projected lifetime loss ratio based on the assumptions outlined in the actuarial memorandum is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 28% taking into consideration the impact on our policyowners. If experience does not improve, we may need to request future rate increases on these policy forms.

Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number:	Northwestern Long Term Care Insurance Company
SERFF Tracking Number:	NWST-130932341
Effective Date:	On approval

Revised Rates

Average Annual Premium Per Member:	\$3,279
Average Requested Percentage Rate Change Per Member:	27%
Minimum Requested Percentage Rate Change Per Member:	0%
Maximum Requested Percentage Rate Change Per Member:	30%
Number of Policy Holders Affected :	238

Plans Affected

(The Form Number and “Product Name”)

Form#	“Product Name”(if applicable)
RS.LTC.(1101) (pre-rate stabilization)	QuietCare RS

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

*This document is intended to help explain the rate filing and it is only a summary of the company’s request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.*

# Northwestern Long-Term Care Insurance Company

Status of Filings as of 2/22/2017

All RS Series Policy Forms

2016 / 2017 Rate Action (filings still in progress)							
Jurisdiction	12/31/16 Annualized Earned Premium	12/31/16 Distribution of Earned Premium	12/31/16 Policy Count	Current Status <sup>2</sup>	Percentage Increase Approved/Pending <sup>4</sup>		
					3 year Benefit Period <sup>3</sup>	6 year Benefit Period	Lifetime Benefit Period
Alabama	\$1,562,384	0.7%	971	Pending	10%	25%	30%
Alaska	\$206,588	0.1%	78	Approved	10%	25%	30%
Arizona	\$1,728,787	0.7%	738	Pending	10%	25%	30%
Arkansas	\$1,475,596	0.6%	695	Approved	10%	25%	30%
California	\$24,349,906	10.3%	8,360	Pending	10%	25%	30%
Colorado	\$4,625,990	1.9%	1,893	Pending	10%	25%	30%
Connecticut	\$5,863,010	2.5%	1,760	To be filed			
Delaware <sup>1</sup>	\$105,369	0.04%	38	Approved	10%	25%	25%
District of Columbia <sup>1</sup>	\$522,921	0.2%	159	Approved	10%	10% yrs 1-2 6.1% yr 3	10% for 3 yrs
Florida	\$12,114,821	5.1%	5,085	Pending	10-40%	35-55%	60-80%
Georgia <sup>1</sup>	\$6,463,838	2.7%	2,399	Approved	10%	20%	25%
Hawaii	\$975,595	0.4%	338	Pending	10%	25%	30%
Idaho	\$1,687,698	0.7%	685	Approved	10%	25%	30%
Illinois	\$18,293,035	7.6%	6,888	To be filed			
Indiana	\$4,073,879	1.7%	1,525	Pending	10%	25%	30%
Iowa <sup>1</sup>	\$6,114,059	2.5%	3,165	Approved	10%	17.9% yr 1 6.02% yr 2	17.9% yr 1 10.26% yr 2
Kansas	\$2,616,238	1.1%	1,137	To be filed			
Kentucky	\$4,185,390	1.8%	1,634	Approved	10%	25%	30%
Louisiana	\$3,300,417	1.4%	1,512	Pending	10%	25%	30%
Maine <sup>1</sup>	\$444,425	0.2%	155	Approved	10%	15% yr 1 8.7% yr 2	15% yr 1 13% yr 2
Maryland <sup>1</sup>	\$3,339,998	1.4%	1,137	Pending	10%	15%	15%
Massachusetts	\$5,635,983	2.4%	1,801	Pending	10%	25%	30%
Michigan	\$7,209,923	3.0%	3,019	Approved	10%	25%	30%
Minnesota <sup>1</sup>	\$8,333,444	3.5%	3,769	Approved	10%	15% yr 1 8.7% yr 2	15% yr 1 13% yr 2
Mississippi <sup>1</sup>	\$1,627,896	0.7%	681	Approved	10%	25%	25%
Missouri	\$5,708,138	2.4%	2,498	Pending	10%	25%	30%
Montana	\$616,947	0.3%	287	Pending	10%	25%	30%
Nebraska	\$2,323,641	1.0%	1,324	Approved	10%	25%	30%
Nevada	\$360,268	0.2%	175	Pending	10%	25%	30%
New Hampshire <sup>1</sup>	\$1,121,275	0.5%	360	Approved	10%	25% (attained age cap at 83+)	30% (attained age cap at 81+)
New Jersey	\$6,778,964	2.8%	2,206	Pending	10%	25%	30%
New Mexico	\$732,141	0.3%	376	To be filed			
New York	\$14,709,924	6.3%	4,681	To be filed			
North Carolina	\$7,683,507	3.3%	3,041	Pending	10%	25%	30%
North Dakota	\$664,464	0.3%	355	Approved	10%	15%	15%
Ohio	\$9,635,633	4.0%	3,816	Approved	10%	15%	15%
Oklahoma	\$1,577,734	0.7%	676	Approved	10%	10%	10%
Oregon	\$2,746,934	1.1%	1,058	Approved	10%	25%	30%
Pennsylvania	\$7,298,834	3.0%	2,887	Approved	10%	20%	20%
Rhode Island	\$666,876	0.3%	282	Pending	10%	25%	30%
South Carolina <sup>1</sup>	\$2,519,201	1.1%	1,047	Approved	10%	20%	20%
South Dakota	\$1,467,595	0.6%	922	Approved	10%	25%	30%
Tennessee	\$5,621,836	2.4%	2,531	Approved	10%	25%	30%
Texas	\$10,895,302	4.6%	4,552	To be filed			
Utah	\$1,309,611	0.6%	543	Approved	10%	25%	30%
Vermont	\$515,233	0.2%	154	Pending	10%	25%	30%
Virginia	\$5,431,524	2.3%	2,168	Pending	10%	25%	30%
Washington	\$4,583,210	1.9%	1,866	Approved	10%	25%	30%
West Virginia	\$2,377,442	1.0%	1,085	Approved	10%	25%	30%
Wisconsin <sup>1</sup>	\$13,893,285	5.7%	4,873	Approved	10%	25%	30%
Wyoming	\$237,716	0.1%	115	Approved	10%	25%	30%
Total	\$238,334,425	100.0%	93,500				

<sup>1</sup> Percentage increase variations due to state requirements. Phased in increases are stated as a percentage of the current premium for DC.

Phased in increases are stated as a percentage of the previous year's premium for IA, ME, and MN.

<sup>2</sup> All jurisdictions "to be filed" are anticipated to be filed before the end of February 2017 wherever allowed.

<sup>3</sup> For the 3 year benefit period, the rate increase grades from 10% at issue ages in the early 70s to 0% for issue ages 75+.

<sup>4</sup> The non-forfeiture benefit premiums are not changing at this time. For policies with the non-forfeiture benefit, the overall premium increase will be relatively less than that shown in the table above.

[Month DD, YYYY]

[LIFE ADDRESS1]  
[LIFE ADDRESS2]  
[LIFE ADDRESS3]  
[LIFE ADDRESS4]

Re: [LifeFname LifeLname] LTC[policy no] ISA [#####]

Dear [LifeFname LifeLname]:

Northwestern Long Term Care Insurance Company (NLTC) is committed to ensuring that long-term care insurance benefits will be available when our policyowners need them. After careful consideration, we have made the difficult but necessary decision to increase the premium on your long-term care insurance (LTC) policy. We value you as a policyowner and understand that a premium increase may be unsettling. Please know that we are committed to helping you understand your options so that you can make the best decision for you. Please read this letter carefully and in its entirety. It contains important information about your coverage and the benefit options available to you.

### **About this Increase**

Thanks to medical advances, people are living longer today than ever before. While this is something we are thankful for, it has increased the anticipated cost of future LTC claims for the industry as a whole and NLTC. Our analysis shows that unfortunately, claims are now anticipated to be significantly higher than we originally projected when we determined the premium for your policy.

Important information about the premium increase for your policy is provided in the following chart. [As a reminder, you elected to have the Automatic Additional Purchase Benefit (AAPB) provision to help keep your coverage in line with rising costs of long-term care. This optional benefit provision automatically increases the policy benefit and premium annually. You have the option of declining these increases. For this reason the chart provides you with your new premium with and without the AAPB benefit increase.]

## Premium and Benefit Breakdown

[POLICY BENEFIT]	CURRENT [MODE] PREMIUM	NEW [MODE] PREMIUM	PREMIUM INCREASE AMOUNT	EFFECTIVE DATE
[MML/MDL]  [\$xx,xxx Without the AAPB increase]	[\$00,000.00]	[\$00,000.00]	[\$0,000.00]	[00/00/0000]
[MML/MDL]  [\$xx,xxx With the AAPB increase]	[\$00,000.00]	[\$00,000.00]	[\$00,000.00]	[00/00/0000]

**[Important Information about your Automatic Additional Purchase Benefit (AAPB): You can decline this scheduled AAPB increase by completing and returning the enclosed Personalized Options Form on or before [anniversary date.]** Your Automatic Additional Purchase benefit gives you the option to increase your coverage every year on the policy anniversary until two annual AAPB increases have been declined.] [To date you have declined one AAPB increase.] [After two AAPB increases have been declined, you will no longer receive annual AAPB increases unless you later qualify for and receive long term care benefits.]

It is important to know that no individual has been singled out for an increase, nor is the increase due to a change in your age, health, claims history, or any other individual characteristic. We are increasing premiums for all similarly-situated policyowners in your state as authorized by your state's department of insurance. While we hope it does not become necessary, premium rates are not guaranteed and may be increased again in the future under the terms of your policy.

***[No action is needed while your premium is being waived.*** Since you are currently receiving benefits and not paying premiums due to the Waiver of Premium provision in your policy, you do not need to pay the new premium at this time. This letter is notifying you that the premium increase illustrated above will become payable in the future if and when your claim for benefits ends and the Waiver of Premium provision is no longer in effect.]

## Understanding your Options

If you do not want to or cannot pay the increased premium, you have several options available to help reduce the impact of the increase.

- **Policy Change Options:** We've included a detailed list of policy change options that are available to help offset the premium increase. These options involve reducing the level of benefits available under your policy with a corresponding reduction in your premium.
- **Personalized Options Form:** We've also provided you with an illustration of your current key policy benefits that shows how your premium would change if you elect to reduce one of these benefits.
- **Need Assistance:** If you would like to see what your premium would be if you made more than one change to your policy, or you want to consider changing a benefit not illustrated in the Personalized Options Form, **please contact our customer care team at [888-888-8888]**. We will be happy to provide you with this information and answer questions about these options.

We recommend that you review all options available to you, including paying the increased premium and reducing your available benefits, with your family members and financial advisor to determine the approach that is most appropriate to your needs. You may also wish to contact the State Health Insurance Assistance Program (SHIP) located in your state, or the State Department/Bureau of Insurance if you need additional counseling to determine how to proceed. Please go to [www.shiptalk.org](http://www.shiptalk.org) to find the nearest SHIP to you, or [http://naic.org/state\\_web\\_map.htm](http://naic.org/state_web_map.htm) to find your State Department/Bureau of Insurance.

#### **Next Steps – Decision required by [include anniversary date]**

**[If on claim leave the preceding heading and this section off letter]**

***NO ACTION is needed if you decide to accept the premium increase.*** If we do not hear from you about electing a policy change option by **[anniversary date]**, we will assume that you have accepted the new premium rate. Your premium bill will be adjusted to reflect the increased premium amount. If you pay by automatic deduction from a designated account, please be aware that the transfer from that account will be at the new premium amount. If your payment is made via a third-party account or online banking, please make appropriate arrangements, if necessary, prior to **[anniversary date]** to revise the payment amount.

***ACTION IS NEEDED BY [ANNIVERSARY DATE] if you elect to reduce benefits to offset the impact of the premium increase:***

- Use the enclosed Personalized Options Form to elect one of the illustrated options by checking the applicable box next to the desired change, then sign and return it in the enclosed envelope by **[anniversary date]**. You will receive a premium notice reflecting the increased premium prior to your anniversary date unless you make a change before **[25 days prior to anniversary date]**. However if we receive your change request by



[**anniversary date**] we will make the change and send you a revised premium notice.

- Or, contact our customer care team to discuss policy change options not illustrated in the Personalized Options Form, such as electing a combination of changes to your available benefits. We are here to help Monday through Friday 8:00 AM to 5:00 PM CST at [888-888-8888].
- Please note that if we do not hear from you and you do not pay the increased premium by the premium due date, we will assume you have selected the [Contingent] Non-Forfeiture Option as described in the Personalized Options Form.

### **Importance of LTC Insurance**

The need for care can be one of the most significant challenges a person can face, both personally and financially. We have seen the difference this insurance has made in the lives of our customers and their family members. Although the cost for this insurance is increasing, it provides valuable coverage that may not be available from health insurance or government programs.

### **For Further Assistance**

We are committed to ensuring that long-term care benefits will be available to you when you need them. Our dedicated customer care team at [888-888-8888] is here to help you understand this increase and your options Monday through Friday, 8:00 AM to 5:00 PM CST. You may also visit [www.northwesternmutual.com/ltc](http://www.northwesternmutual.com/ltc) for more information.

Sincerely,



Kamilah Williams-Kemp  
President and Chief Executive Officer  
Northwestern Long Term Care  
Insurance Company

[Enclosures: Policy Change Options and Personalized Options Form]

## Policy Change Options

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If you decide that you would like to reduce your available benefits in order to reduce the premium increase, there are several options available to you.

Each option should be viewed in light of your individual insurance needs and financial situation, and you should consult with family members and advisors before making a change. Please be advised that, once you make an election that results in a reduction of your benefits, you may not be able to increase your benefits at a later time, even if you offer to pay the increased premium amount that results from the coming premium increase.

### **The following options can help offset your premium increase <sup>1</sup>:**

- Reduce the **maximum amount the policy will pay** for each month/day of your care (Maximum Daily/Monthly Limit). <sup>2</sup>
- Reduce the **minimum length of time your policy will pay benefits**<sup>3</sup> once you begin to use benefits (Benefit Period). This will reduce the total amount of benefits payable under your policy (Benefit Account Value).
- Increase the **length of time you'll pay for your care** before the policy begins to pay benefits (Elimination Period or Beginning Date).
- [Reduce the **amount that your Daily/Monthly Limit increases each year** (inflation protection).] *[only include if policy has ABI]*
- **[Drop your current inflation protection.]** *[only include if have inflation protection]*
- **Stop paying policy premiums and keep a reduced policy.** ([Contingent] Non-Forfeiture Option.) Your benefits would be equal to the total amount of premium you have paid since you first bought the policy. [This option is only available within 120 days of the premium increase effective date.] By electing this option you will be significantly reducing your policy benefits so careful consideration should be given. *[only include the second sentence if the policy doesn't have an NFB benefit]*
- **[Drop your Non-Forfeiture benefit]** *[only include if have NFB]*
- **[Drop your Survivorship benefit]** *[only include if have Survivorship]*

**Important Information:** As you consider reducing your benefits, it's very important to understand the impact the change will have if you need to utilize your coverage in the future. The costs of care are rising and are expected to continue to rise. By reducing benefits, you are reducing the coverage that will be available to pay for future care. Please go to [www.northwesternmutual.com/costofcare](http://www.northwesternmutual.com/costofcare) to view the average cost of care in your state.

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<sup>1</sup> Please refer to your policy for definitions of the terms included in these options.

<sup>2</sup> If your monthly cost of care is less than your selected Maximum Monthly/Daily Limit, then the unused portion can be used to extend the period of time your coverage will last.

<sup>3</sup> If your monthly cost of care is less than your selected Maximum Monthly/Daily Limit, then the unused portion can be used to extend the period of time your coverage will last.

## **Important Information Regarding [Contingent] Non-Forfeiture Option**

If you allow your policy to lapse [within 120 days of your policy anniversary date of **[anniversary date]**] we will reduce your policy limit (Benefit Account Value) and convert your policy to a paid-up status with no future payment of premiums required. By exercising this option you are significantly reducing your policy benefits so you should give careful consideration to the terms of this option before selecting it. The following terms apply if you exercise this [Contingent] Non-Forfeiture option:

- No benefits will be paid in excess of your new Benefit Account Value. The new Benefit Account Value will be equal to the total amount of premiums you have paid for the policy, including any waived premiums and premiums paid for any optional additional benefits. Benefits will be paid subject to the [Maximum Daily Limit] / [Maximum Monthly Limit] benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional additional benefit riders will automatically terminate.
- [No future inflation adjustments will be made pursuant to your policy's [Automatic Benefit Increase/ Automatic Additional Purchase Benefit] inflation protection option.]
- All other applicable policy provisions, conditions, and limitations will remain in effect.

## Personalized Options Form

The chart below provides an illustration of how your premium will be affected if you elect to reduce any of the key benefits included in your policy. You can use this form to elect one of the changes illustrated.

Note: This form cannot be used to elect more than one change. The illustrations are based on only one change taking place effective on your next policy anniversary [include date] and may not be accurate after this date. If you would like to make more than one change, or consider a change not listed among the options provided below, please contact our customer care team at [888-888-8888] Monday through Friday 8:00 AM – 5:00 PM CST.

Policy Benefit Change	Description	Current Benefit	New Benefit	New Premium	Policy Change Election (check only one)
[Maximum Daily Limit (MDL)] / [Maximum Monthly Limit (MML)]	<p>Reduce the maximum amount the policy will reimburse for qualifying expenses each day/month you are on claim to an amount with a corresponding premium amount similar to the amount you pay now, before the premium increase has taken effect.</p> <p><b>Note:</b> You may also opt to reduce the policy [MDL/MML] to other amounts, which would result in a future premium amount that is different than what is shown on this Form but is also less than the amount you would be required to pay after the premium increase takes effect.</p>	<p>[\$00,000.00]</p> <p>Please note: in certain instances the ability to reduce your MDL/MML may not be available due to state required minimum benefit limits.</p>	<p>[\$00,000.00]</p> <p>[Already at State Minimum]</p>	<p>[\$00,000.00]</p> <p>[N/A]</p>	<input type="checkbox"/>

[Benefit Period]	<p>[Reduce the minimum length of time your policy will pay benefits.] (Benefit Period).</p> <p><b>Note:</b> This will reduce the total amount of benefits payable under your policy (Benefit Account Value).</p>	[Lifetime / Unlimited Benefit]	<p>[6 year Benefit Period.]</p> <p>[\$MML/\$MDL] x [72 months or 6*365 days] = Benefit Account Value (BAV) of \$00,000.00]</p>	[\$0,000.00]	<input type="checkbox"/>
[Benefit Period]	<p>[Reduce the minimum length of time your policy will pay benefits.] (Benefit Period)</p> <p><b>Note:</b> This will reduce the total amount of benefits payable under your policy (Benefit Account Value).</p>	[3 year Benefit Period]	[Already at minimum available Benefit Period]	[N/A]	
[Inflation Protection]	<p>[Reduce the ABI increases to your [MML or MDL] that help benefits keep pace with the actual cost of care over time. The [MML or MDL] and Benefit Account Value will remain at their amounts as of the effective date of the policy change.] [Decline AAPB] [You will no longer receive inflation protection increases unless you qualify for and receive Long Term Care benefits.]</p>	<p>[Automatic Benefit Increase (ABI) [5][x]%]</p> <p>[Automatic Additional Purchase Benefit (AAPB)]</p>	<p>[ABI 4%]</p> <p>[ABI 3%]</p> <p>[AAPB at your current benefit amount] [\$00,000.00]</p> <p>[AAPB with no further increases] [\$00,000.00]</p>	[\$0,000.00]	<input type="checkbox"/>
[Benefit Period]	<p>[Reduce the minimum length of time your policy will pay benefits.]</p> <p><b>Note:</b> This will reduce the total amount of benefits</p>	[6 year Benefit]	<p>[3 year Benefit Period.]</p> <p>[\$MML/\$MDL] x [36 months or 3*365 days]</p>		<input type="checkbox"/>

	payable under your policy (Benefit Account Value).		= Benefit Account Value (BAV) of \$00,000.00]		
[Contingent] Non-Forfeiture Option	Stop paying premiums [within 120 days of due date] and accept a significantly reduced policy benefit equal to the total amount of premium you have paid since the inception of the policy. Careful consideration should be made when deciding this option.	Benefit Account Value of [\$00,000.00]	Reduced Benefit Account Value [\$00,000.00]	N/A	<input type="checkbox"/>

## CHANGE PROVISIONS

This form must be received in our office by **[anniversary date]** and the changes will be effective as of your policy anniversary date of **[anniversary date]**. If we do not hear from you about electing a policy change option by that date, we will assume that you have accepted the new premium rate unless the [Contingent] Non-Forfeiture option takes effect. Other than the change elected in this form, the benefits available under the policy will remain the same.

Once we've processed the change you elect, if any, we will send you a confirmation letter along with a new policy specification pages to keep with your policy contract.

## [LONG TERM CARE PARTNERSHIP POLICY CHANGE DISCLOSURE]

Inflation protection is a required feature of a qualifying Partnership policy. Please note that removal or reduction of the Automatic Benefit Increase inflation protection option or removal of the Automatic Additional Purchase Benefit inflation protection option may result in the loss of your policy's qualifying Partnership status, including the asset disregard feature provided by a Partnership policy. You may contact NLTC at [888-888-8888] if you have questions about how to retain your policy's qualifying Partnership status.]

Name of Policyowner: [Policyowner Name] LTC[xxxxxxxx]

Signature of Policyowner: \_\_\_\_\_ Date: \_\_\_\_\_

Northwestern Long Term Care Insurance Co.  
NAIC # 860-69000  
FEIN # 36-2258318

Annette Hutt  
Product Compliance Consultant  
Phone: (414) 665-1859  
Fax: (414) 625-7598  
Email: [annettehutt@northwesternmutual.com](mailto:annettehutt@northwesternmutual.com)

April 10, 2017

Janet Houser  
Virginia Bureau of Insurance

Re: Rates for RS.LTC.(1101) *Pre-Rate Stabilization*

Dear Ms. Houser:

This is in response to your objections sent March 21, 2017.

1. Please provide assurances that the assumptions used in the projections are no more conservative (i.e. do not produce a higher loss ratio) than used in the company's prior year's asset adequacy testing.

**Response:** Not considering the necessary differences in the economic assumptions and other requirements unique to AAT exercises, the assumptions supporting this filing are consistent with the baseline assumptions used in the Company's most recent asset adequacy testing exercises and are not more conservative than the asset adequacy testing assumptions.

2. Please also provide brief commentary as to the relationship of the "repriced" morbidity, lapse and mortality assumptions vs. those submitted in the recent Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

**Response:** The morbidity, lapse and mortality assumptions underlying this rate increase filing are consistent with the assumptions underlying our most recent Virginia new issue rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV.

3. The actuarial memorandum includes several references to policies that are no longer paying premiums. Does this solely refer to the Paid-up Nonforfeiture Benefit or the survivorship Benefit? Please confirm if a portion of the policies were issued on a limited pay basis. What payment periods were available? Please indicate what portion of the block is paid up as of the date of the analysis 12/31/15.

**Response:** Yes. Only the execution of the nonforfeiture and survivorship benefits can result in this form becoming paid-up. Limited Pay was not available with this form. As of 12/31/2015, 2% of the block was paid up due to executing the nonforfeiture benefit, and 1% was paid up due to activating the survivorship benefit.

4. Please confirm the treatment of the waiver of premium benefit within the loss ratio exhibit.

**Response:** Waived premiums are included in earned premium and incurred claims for historical experience, but are only included in incurred claims projections. Although this slightly overstates future and lifetime loss ratios, this did not impact our rate increase request, since we did not request the full amount we could actuarially justify.

5. It was indicated that the restated lifetime pricing loss ratio, after adjusting to the maximum valuation interest rate is 67%.

a. Did this include any anticipated dividends?

**Response:** No. Dividends were not included in the lifetime pricing loss ratio.

b. Does this reflect the same distribution of business as assumed in pricing or the actual sales?

**Response:** The pricing loss ratio reflects distribution of policies assumed in pricing. Due to systems limitations, we are unable to recalculate the anticipated loss ratio using original pricing assumptions and the actual distribution of policies issued.

6. The Distribution of Business by Plan indicates that 68% of the inforce policies have elected the "Automatic Additional Purchase Benefit" Indexing option.

a. What portion of these policies have purchased additional coverage?

**Response:** 95% of those who have the Automatic Additional Purchase Benefit (AAPB) have purchased at least some amount of additional coverage since issue.

b. What behavior is assumed in the projections (both with and without rate increase)?

**Response:** The projections assume 90% of those with AAPB will purchase additional coverage each year while they are eligible. This assumption is in-line with actual experience to-date.

7. The actuarial memorandum indicates a contingent benefit upon lapse will be offered to all policyholders if a rate increase is approved, as well as other various benefit reduction options. Please provide the assumptions with respect to the election of these various option in the "with rate increase" projections of the Exhibits, if any.

**Response:** Since this is the first time that our company has ever increased LTC premiums we have no history to base our expectations on and therefore no benefit reduction impacts have been reflected in the projected experience. However, we have discussed this topic with consultants and have heard others in the industry discuss this topic at industry forums and conferences. Based on these discussions, we developed the very high level estimates listed below. Also, since the policyowner has the option to take a benefit reduction that may only offset a portion of the premium increase there is no clear distinction between "accept the full increase" and "choose a lower benefit".





# Northwestern Long Term Care Insurance Company™

A Northwestern Mutual Company

Accept the full increase	80-95%
Choose a lower benefit	5-15%
Choose a non-forfeiture benefit	<5%

The distribution of the policyowners who choose a lower benefit will depend highly on each policyowner's individual situation. Given our lack of experience with LTC premium increases we have no official expectations with respect to this distribution. In addition, since we are offering policyowners the ability to choose virtually any combination of benefit reduction options to offset a premium increase it would be very difficult to bucket these choices into separate reduction types.

Only about 15% of our inforce policyowners have a level premium inflation benefit and therefore there is a limit to the portion of our inforce that would even be able to elect a reduction in the inflation benefit. Also, about two-thirds of our inforce has a lifetime benefit period so we suspect that reducing the benefit period from lifetime to something less might be one of the more popular options.

8. The actuarial memorandum, section 2 a, indicates a comparison is provided to rates for new business. The file "Premium Rate Compare RS pre rate after increase to UU2016(0916) VA" contains such a comparison. Virginia rate filing (SERFF #: NWST-130675505) for form UU.LTC(1014)REV was approved 11/4/16, and would appear to be the most recent new business rates available in Virginia, but reflects a different form number. Please confirm if the rates "UU2016(0916) VA" are those approved in that filing, and if not, indicate if comparison to the recent Virginia filing cited above would change the results of the comparison.

**Response:** We mistakenly referenced the incorrect form number. The most recent new business rates available in Virginia is the UU.LTC(1014)REV that was approved on 11/4/2016. Some states required us to change the form number for our most recent new business filing. We have provided a revised Premium Rate Comparison to include the correct form number. However, this does not change the results of the comparison previously submitted.

9. The Company indicates that its experience is not credible for use in determining projection morbidity assumptions. A comparison of historical experience was provided for claim incidence, claim termination and claim utilization assumptions. As a result of these studies, the following conclusion was noted: "our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business." The study of actual to Milliman (expected) showed the following ratios:

- a. Incidence – overall A/E of 90%, but the slope of the table did not appear to be a good fit, with A/E increasing by policy duration for the issue ages with most claims exposure from the low 50%'s to near 120%. The issue age block with most policies has A/E of 70%;
- b. Resolutions – overall A/E of 77%, reflecting 965 actual resolutions, fairly consistent across all claim months;

c. Utilization – overall A/E of 85%

These ratios deviate sufficiently from the mean to lead to an expectation of additional adjustments to the indicated Milliman morbidity assumptions, even if only to reflect partial credibility. Please provide any additional studies or sensitivity tests that supported the final morbidity assumptions as a best estimate that reflected reasonable fit with historical experience.

**Response:** Our morbidity experience even in total is not credible, and when broken down by individual components (i.e., incidence, resolutions, and utilization) and further broken down by subsets such as issue age, duration, etc., the experience is far less credible and therefore should not be relied on to derive any morbidity assumptions. Considering that there are typically only a few dozen claims after the experience is broken down into finer subsets of characteristics, it is not surprising that there is a lot of volatility in the experience studies to-date and actual experience is not necessarily a good “fit” to the component morbidity assumptions.

A discussion of credibility was included in section 1 of the Experience Exhibits document and partial credibility statistics for incidence were provided in section 2. As demonstrated, we have very limited credibility at the younger issue ages and earlier durations and virtually none at the older attained ages (80+) where we expect the bulk of our LTC claims to occur. For LTC, credibility on incidence emerges first and the credibility of claim resolution and utilization comes later. Because we do not consider our own incidence experience credible we consider our resolution or utilization experience even less credible.

Our goal was not to “fit” our morbidity assumptions to our non-credible experience, but to validate at a high level that our overall morbidity assumption is reasonably in-line with our emerging experience, which it is at a 105% overall A/T for total cash claims. Over time as our own experience emerges we intend to reflect that experience in our assumptions to the extent credible but we are just not there yet.

**10.** Please provide a breakdown of the historical incurred claims by calendar year to reflect the portion already paid vs. the portion still estimated (PVANYD reserve). Please indicate the margin, if any, included in the estimated amounts.

**Response:**

RS.LTC.(1101) & RS.LTC.(0807) & RS.LTC.(0708)				
Pre-Rate Stabilization				
<u>Calendar Year</u>	<u>Incurred Claims</u>	<u>Paid Claims</u>	<u>Change in Reserve</u>	<u>Reserve at Year-End</u>
2002	81,898	0	81,898	81,898
2003	332,516	1,120	331,396	413,294
2004	653,950	22,699	631,251	1,044,545
2005	1,062,200	215,706	846,494	1,891,039
2006	2,423,446	483,159	1,940,287	3,831,326
2007	3,503,680	707,830	2,795,851	6,627,177
2008	4,909,808	1,262,634	3,647,174	10,274,351
2009	6,035,934	2,098,357	3,937,578	14,211,929



# Northwestern Long Term Care Insurance Company™

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2010	8,959,739	3,116,221	5,843,519	20,055,447
2011	9,725,458	4,149,543	5,575,915	25,631,362
2012	13,158,476	4,982,194	8,176,282	33,807,645
2013	5,422,945	5,861,259	(438,314)	33,369,330
2014	14,893,473	7,027,858	7,865,615	41,234,945
2015	16,824,539	8,627,685	8,196,854	49,431,799
<b>Total</b>	<b>87,988,063</b>	<b>38,556,264</b>	<b>49,431,799</b>	

Implicit margins are included in the claim reserve calculations to the extent that 100% utilization is assumed. In addition, factors for pending, incurred but not reported and terminated but not reported claims are set to cover roughly 85% of study observations. In aggregate, margins on reserves are in the mid-single digits.

**11.** Unusual fluctuations were noted in the incurred claims for 2012 through 2014. Please indicate if this is the result of claim reserve strengthening, claim incidence fluctuations, or other. If claim reserve were strengthened, please address how this may have impacted the analysis of the fit of the morbidity data and projection assumptions.

**Response:** Fluctuations in the incurred claims in 2012-2014 were caused mainly by claim incidence fluctuations. In addition, we did strengthen existing claim reserves in 2012, by a total of \$10.5 million across all policy forms. The reserve held for claims on just the RS pre-rate stabilization form accounted for about 22% of the total reserve held for claims on all forms. Our analysis of the fit of the morbidity data was based on the underlying rates rather than reserve amounts, so reserve strengthening did not impact that analysis. Projection assumptions were based on the most up to date industry morbidity data, and comparisons to our limited experience to date simply validated that those assumptions were not unreasonable.

**12.** Please provide additional description of the projected mortality rates. How do the ultimate rates and improvement scale compare to a published industry table?

**Response:** Our current base mortality assumption is derived from our underlying company specific life insurance mortality tables based primarily on a study of LTC policyowners that also purchased life insurance. Mortality improvement is also assumed. A further discussion regarding our current mortality assumption can be found in section 3 of the Experience Exhibit document included with initial filing. A sample of ultimate mortality rates for specific attained ages has been included below and compared to the 1994 Group Annuitant Mortality (GAM) table. This comparison does not reflect selection or mortality improvement.

NLTC			1994 GAM			Ratio of NLTC to 1994 GAM		
Attained Age	Male	Female		Male	Female		Male	Female
40	0.12%	0.07%		0.11%	0.07%		116%	102%
50	0.25%	0.22%		0.26%	0.14%		98%	156%
60	0.48%	0.43%		0.80%	0.44%		60%	97%
70	1.49%	1.12%		2.37%	1.37%		63%	82%
80	4.65%	3.55%		6.20%	3.94%		75%	90%
90	14.46%	10.78%		15.29%	11.63%		95%	93%
100	28.42%	23.26%		31.72%	27.64%		90%	84%

Our mortality improvement assumption was based on 2012 Individual Annuity Mortality (IAM) projection scale G assumptions and lowered for future expectations. Mortality improvement grades off from attained age 80 to 0% by attained age 105. A sample of improvement factors for specific attained ages has been included below and compared to the 2012 IAM projection scale G assumptions.

NLTC			2012 IAM Proj G			Difference		
Attained Age	Male	Female		Male	Female		Male	Female
40	0.31%	0.31%		1.00%	1.00%		-0.69%	-0.69%
50	0.31%	0.31%		1.00%	1.00%		-0.69%	-0.69%
60	0.81%	0.61%		1.50%	1.30%		-0.69%	-0.69%
70	0.81%	0.61%		1.50%	1.30%		-0.69%	-0.69%
80	0.81%	0.61%		1.50%	1.30%		-0.69%	-0.69%
90	0.48%	0.36%		0.70%	0.60%		-0.22%	-0.24%
100	0.16%	0.12%		0.20%	0.20%		-0.04%	-0.08%

**13.** Rate increases were requested on a basis that varies by policy benefit period. Please provide analysis that specifically supports the determination of the rate increases by benefit period.

**Response:** We believe that varying the request by benefit period is justified based on the relative change in the originally assumed morbidity to the updated morbidity assumptions provided by our consultant, Milliman. Revised Actuarial Memorandums have been submitted which include a new Appendix III, which show the ratio of the current claims costs (from Appendix I) to the original claim costs (Appendix II). This demonstrates that the relative increase in claim costs, at the attained ages where the bulk of claims are expected to occur, is consistently higher for policies with the lifetime benefit than policies with the 6 year benefit, and higher for the 6 year benefit than the 3 year benefit.

In addition, as described in the Experience Exhibits document, our own morbidity experience is not credible and heavily weighted towards younger attained ages and early policy durations, and thus not appropriate to be relied upon in setting morbidity



# Northwestern Long Term Care Insurance Company™

A Northwestern Mutual Company

assumptions. Therefore, the Milliman assumptions described above and in the Actuarial Memorandums are appropriate to be relied upon for morbidity assumptions.

**14.** It was noted that “If the rate schedule increase of 68% were requested and implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated.” What rate schedule increase would be required to reach a similar conclusions, but on a best estimate basis (with no margin for adverse deviation)?

**Response:** An average rate schedule increase of 56% would be necessary without margin for moderately adverse conditions.

Based on the above, your review and approval is greatly appreciated. If you have any questions, you may contact me at 414-665-1859 or email me at [annettehutt1@northwesternmutual.com](mailto:annettehutt1@northwesternmutual.com). For all email correspondence, please copy Laura Olski at [lauraolski@northwesternmutual.com](mailto:lauraolski@northwesternmutual.com).

Thank you,

Annette Hutt1  
Product Compliance Consultant  
Actuarial Department

<b>State:</b>	Virginia	<b>Filing Company:</b>	Northwestern Long Term Care Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2016 LTC Risk Mitigation		
<b>Project Name/Number:</b>	2016 LTC Risk Mitigation/2016 LTC Risk Mitigation		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
02/22/2017	Withdrawn 07/05/2017	Supporting Document	L&H Actuarial Memorandum	04/10/2017	ACTMEMO Update (RS Pre-Rate Stabilization) (VA).pdf (Superceded) Actuarial Certification (RS pre-rate) (VA).pdf RS(pre-rate stability) Exhibit 1 Loss Ratios (VA).xlsx VA Exhibit 2 Inforce Policies and Premium (RS Pre-Rate Stabilization).pdf PREMCALC RR-RS (STD).pdf Premium Rate Compare RS pre rate after increase to UU2016(0916) (VA).pdf (Superceded) Experience Exhibits (VA).pdf Inforce Filing Act Memo Cover Letter (VA) RS.pdf
02/22/2017	Withdrawn 10/31/2017	Supporting Document	Long Term Care Insurance Rate Request Summary	10/19/2017	VA Rate Request Summary Part 1- RS pre Rate Stabilization.pdf (Superceded) Summary Part 1-RS pre Rate Stabilization.pdf

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

<u>Product Name</u>	<u>Policy Form Number</u>	<u>Issue Date Range*</u>
QuietCare RS	RS.LTC.(1101)	March 2002 – October 2003
		(*see exhibit 2 for state's ranges)

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## 1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the policy series forms listed on page 1. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

## 2. Requested Rate Increase

The company is requesting an average rate increase of 27% with the rate increase varying by benefit period. The requested rate increase for 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with 3 year benefit period to ensure that inforce rates do not exceed new issue business rates. The rate increases adhere to the following restrictions:

- a. We ensure that the proposed rate increase does not result in premium rates that exceed the rates for new business. This is demonstrated in the attached premium rate comparison.
- b. We ensure that the resulting overall increase in rates satisfies the pre-rate stability rule outlined in 14VAC5-200-150 B, whereby benefits are deemed reasonable in relation to premiums provided the expected loss ratio is the greater of 60% or the lifetime loss ratio using in the original pricing applied to the current rate schedule, plus 80% applied to any premium rate increase. This is demonstrated in Exhibit 1.
- c. The lifetime loss ratio after the proposed rate increase is greater than or equal to the lifetime loss ratio targeted in the original filing from this form.

New proposed rate tables for these policy forms are included with this filing. The contingent non-forfeiture paid up benefit equal to the sum of premiums paid is being offered to all policyowners impacted by the rate increase whether or not their increase is above the substantial increase triggers.

The number of policyowners and amount of inforce premium, as of December 31, 2015, for your state and nationwide, are displayed in Exhibit 2. The exhibit also shows the average annual premium before and after the proposed rate increase.

## 3. Reason for Rate Increase Request

A rate increase is necessary at this time due to significantly higher anticipated future and lifetime loss ratios. The higher loss ratios are mainly the result longer claim continuance with a greater effect on longer benefit periods, combined with lower lapse and mortality rates.

Northwestern Long Term Care Insurance Company (NLTC) has been evaluating this block and updating assumptions based on our experience as well as the LTCi industry experience. For the forms specified above, the projected lifetime loss ratio based on the assumptions outlined in this memo is worse than original pricing. The combined effect of changing the underlying claim costs and updating the mortality rates and persistency assumptions resulted in the need for a rate increase. The current premium levels are inadequate and, therefore, NLTC is requesting a rate increase in order to maintain the viability and financial stability of the policy form.

Even though we could justify a higher rate increase, at this time we have decided to request 27% taking into consideration the impact on our policyowners. The requested premium rate schedule increase is not considered sufficient to cover the adverse impact of the changes to the assumptions in this filing. If the rate schedule increase of 68% were requested and

implemented and the underlying assumptions with additional margin for moderately adverse conditions are realized no increase beyond 68% would be anticipated.

#### 4. Rate Increase History

We have not requested any previous rate increases on these policy forms, either in your state or on a nationwide basis.

#### 5. Benefit Descriptions

This policy provides comprehensive long term care coverage, and reimburses eligible expenses of the insured up to the daily limits of the policy. The product is priced to have level premiums. All premiums are guaranteed renewable. If the policy becomes paid-up it becomes non-cancellable. The product is available at issue ages 18-79. Premiums are on a sex neutral basis.

The insured chooses a daily limit, benefit period, elimination period, and home and community care coverage percentage. The plan reimburses eligible expenses up to the daily limits once the elimination period is satisfied. The plan continues to reimburse expenses until eligible expenses are no longer incurred or benefits are exhausted.

Care can be provided by licensed health care practitioners in licensed nursing homes, alternate living facilities, the home, and adult day care agencies. Respite care is also covered.

Two indexing options are available. The first option, called the Automatic Benefit Increase option, is a level premium product with the daily limit and the Benefit Account Value remaining indexing at 3%, 4%, or 5% per year. The insured chooses the indexing percentage at issue.

The second option, called the Automatic Additional Purchase Benefit, provides a level benefit while the insured does not require LTC benefits. The daily limit and the Benefit Account Value remaining begin indexing at 5% per year if and when the insured is on claim. Also under this option, the insured has the option of purchasing an additional amount of coverage, equal to 5% of the prior year's daily limit, each year while not on claim. This additional coverage also increases the Benefit Account Value. The premiums for the additional coverage are level and are based on the insured's current attained age. The insured can continue to purchase the additional coverage under this option until the later of age 85 or the tenth policy anniversary, or until the insured has refused two of the optional increases in coverage.

All plans include the waiver of premium benefit.

An optional non-forfeiture benefit and survivorship benefit are also available. The non-forfeiture benefit, called Paid-up Nonforfeiture Benefit, provides paid-up coverage when premium payments stop on or after the third policy anniversary via a smaller Benefit Account Value. Although we are filing for a premium rate increase, the premiums under the non-forfeiture benefit are not changing at this time.

The survivorship benefit, called the Survivorship Benefit, is a benefit that can be purchased when two spouses each purchase an NLTC long-term care policy. This benefit will change the status of the second insured's policy to fully paid up, beginning at the later of the death of

the first insured, and the first anniversary after the benefit on the surviving insured's policy has been paid for and in force for 7 years.

One underwriting class exists for all policies issued. The policy is participating.

6. Renewability

All policy forms listed above are guaranteed renewable.

7. Applicability

This filing is applicable to in force policies only, as this policy form is no longer being sold in your state or nationwide. The premium changes will apply to the base form as well as to all applicable additional benefits. The premium change will also apply to future purchase option elections under the Automatic Additional Purchase Benefit. The premium changes will not apply to policies which have already reached paid-up status.

The company remains in the market, and currently sells similar long-term care insurance.

8. Marketing Method

All policy forms listed above were marketed by Northwestern Mutual's (parent company of NLTC) career captive field force.

9. Issue Age Ranges

Issue ages are from 18 to 79.

10. Actuarial Assumptions – Updated

This section includes the current assumptions used to justify the premium rate increase. These assumptions do not include any margin for adverse experience.

A. Morbidity - Updated

Claim costs from Milliman's 2014 edition of the Long Term Care Guidelines were used for morbidity estimates. The Guidelines have been developed in conjunction with professionals in several Milliman offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment. The guidelines are a continually evolving rating structure that are modified as more experience becomes available.

The 2014 Milliman Guidelines were tailored to reflect NLTC's underwriting standards and claims administration practices. Milliman develops morbidity selection factors for three levels of underwriting: looser underwriting, average underwriting, and stricter underwriting. Milliman determined after analyzing NLTC's underwriting standards and practices that we fall in the stricter underwriting category. Milliman also came in to look at our claims administration practices to adjust the 2014 Milliman Guidelines in order to be more in line with how we administer long-term care claims. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC's specific product design.

We also reviewed how the 2014 Milliman Guidelines compare to our own limited amount of long-term care claims data and our cash claim payments are in line with the expected basis. Since the 2014 Guidelines provided by Milliman were based on long-term care policies with specific benefits equal to what these policy forms offer, our overall morbidity experience to-date, although limited and not credible, does not call into question the validity of the 2014 Milliman Guidelines for this block of business.

No morbidity improvement was assumed in pricing.

Appendix I shows a sample of claim costs used in determining the premium rate increase.

B. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate. Normal renewal commission rates will be applied on any increase in premium.

C. Mortality - Updated

Our mortality assumptions were developed using internal company experience and include underwriting selection factors. Mortality improvement is also assumed through attained age 105.

In comparing the pricing mortality table used to the 1994 Group Annuitant Mortality (94 GAM) table used for valuation, the pricing ultimate rates are more conservative for the majority of issue ages. However, the biggest difference between the two tables is not the ultimate rates but that the pricing mortality recognizes lower mortality rates on recently underwritten business (mortality selection) and improved mortality over time (mortality improvement). Thus, the pricing mortality is more conservative than the table used for valuation (94 GAM) which does not have selection or improvement.

D. Lapse – Updated

Policy Year	%
1	3.400%
2	4.300%
3	3.200%
4	2.500%
5	2.000%
6	1.600%
7	1.300%
8	1.100%
9	0.500%
10+	0.500%

Lapse Adjustment by Issue Age: The following table of multipliers was used to adjust lapse rates for policies issued at older ages.

<b>Updated Lapse Adjustment by Issue Age</b>			
<b>Policy Year</b>	<b>Issue Ages 18-69</b>	<b>Issue Ages 70-74</b>	<b>Issue Ages 75-79</b>
1	100%	100%	90%
2	100%	100%	75%
3	100%	100%	60%
4	100%	100%	45%
5	100%	100%	30%
6	100%	100%	15%
7	100%	100%	0%
8	100%	100%	0%
9	100%	100%	0%
10	100%	80%	0%
11	100%	60%	0%
12	100%	40%	0%
13	100%	20%	0%
14+	100%	0%	0%

Lapse Adjustment for Paid-Up Nonforfeiture Benefit – These multipliers remain the same as those used for the original pricing.

E. Interest

Discounting and accumulating of earned premiums and incurred claims for the purpose of calculating historical, future anticipated and lifetime loss ratios was performed using the maximum valuation interest rate.

F. Distribution

Distribution of Business by Issue Age:

<b><u>Issue Age</u></b>	<b><u>Expected Distribution</u></b>	<b><u>Actual Distribution</u></b>
52	5%	45%
57	20%	26%
62	35%	18%
67	25%	8%
72	10%	2%
77	5%	1%

Average issue age = 54.7

Distribution of Business by Plan:

<u>Benefit Period</u> <u>(Years)</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
3	10%	9%
6	25%	27%
Lifetime	65%	64%
<u>Elimination Period</u> <u>(Weeks)</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
6	15%	6%
12	70%	86%
25	15%	8%
<u>Home &amp; Community</u> <u>Care %</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
100%	85%	84%
50%	15%	6%

Distribution of Business by Sex:

<u>Sex</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
Male	40%	47%
Female	60%	53%

Distribution of Business by Indexing Option:

<u>Indexing Option</u>	<u>Expected</u> <u>Distribution</u>	<u>Actual</u> <u>Distribution</u>
None	25%	16%
Automatic Benefit Increase	5%	16%
Automatic Additional Purchase Benefit	70%	68%

11. Actuarial Assumptions - Original

The initial premium rate schedule was based on the originally filed pricing assumptions which were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed. The original pricing assumptions for morbidity, voluntary termination rates, and mortality were as follows:

A. Morbidity - Original

The Milliman & Robertson (M&R) Internal Guidelines for Long Term Care Claim Costs were used for morbidity estimates. These Guidelines were developed in conjunction with professionals in several M&R offices during the mid-1990s and reflect actual experience of various carriers at that time, numerous studies of non-insurance data and actuarial judgment. The guidelines were established with a continually evolving rating structure that allow for modifications over time as more experience becomes available.

Underwriting adjustments were applied by policy year to reflect the morbidity anticipated due to underwriting. These factors were based on experience reviewed by M&R for benefit plans similar to NLTC with modifications to reflect the level of underwriting. For the Automatic Additional Purchase Benefit option, composite selection factors were calculated from the factors above recognizing that initial underwriting will wear off over time. Final adjustments were made to morbidity recognizing anticipated morbidity differences due to NLTC specific underwriting and product design.

Appendix II shows claim costs used in developing original premiums.

B. Mortality - Original

1983 Individual Annuitant Mortality

C. Lapse - Original

Policy Year	Lapse Rate
1	4.00%
2	3.60%
3	3.30%
4	3.05%
5	2.90%
6	2.80%
7	2.70%
8	2.60%
9	2.55%
10+	2.50%

Lapse Adjustment for Paid-Up Nonforfeiture Benefit - The following table of multipliers was used to adjust lapse rates for those policies with the Paid-Up Nonforfeiture Benefit (NFB) option:

Policy Year	Lapse Adjustment Multiplier for NFB
1	50%
2	0%
3	200%
4	170%
5+	110%

12. Underwriting

Medical underwriting was required for individual policies issued under this policy form and varied by issue age. LTC underwriting takes into account conditions or combinations of medical conditions that are likely to result in an impending need for services. There was one standard underwriting class for these policy forms.

### 13. Premium Classes

Premiums are unisex and payable for life, except if the policy becomes paid up as described in Section 5 above. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit period, elimination period, inflation option, premium mode, home and community care coverage percentage, marital status, and additional benefits.

A multi-life discount of 5% is also applied where policies were marketed to three or more lives of an employer/employee group or ten or more lives of an association group. The discount was available to members and retirees of these groups, as well as their parents, spouses, and spouses' parents.

### 14. Reserve Basis

#### A. Base Plans

Statutory Reserve Basis - Statutory Active Life Reserves are based on the claim costs developed for this plan increased by 20-25%, varying by issue age. A one-year preliminary term method with 1994 Group Annuitant Mortality (94 GAM) and 4.0% or 4.5% interest is used, based on year of issue. Lapse rates are included in the reserve calculations. Specifically, the following formula for total termination rates (TTRs) is used:

TTR = Lessor of:   a)       1994 GAM plus lessor of:  
                                  i)       8% for durations 1-4  
                                              4% for duration 5 and later; or  
                                  ii)      80% of pricing lapse rate;  
                                  And  
                                  b)       80% of pricing total termination rate.

Disabled life reserves use the claim costs developed for this plan and the maximum statutory valuation interest rate by calendar year of claim onset.

Since the perceived appropriateness of reserve assumptions can change after issue, the company performs annual asset adequacy testing for its LTC block overall. Additional actuarial reserves due to asset adequacy testing have been held since 2012, and as of December 31, 2016, \$265 million was held for the LTC product line.

#### B. Paid-Up Nonforfeiture Benefit

Paid-Up Nonforfeiture Benefit Reserves use the same assumptions as the base plan except where noted below. Active life reserves are equal to:

- a. The greater of:
  - 1. The LTC active life reserve, and
  - 2. The lapse benefit
- plus
- b. The Paid-Up Nonforfeiture Benefit Reserve

where:

The LTC active life reserve is consistent with the base policy.



The lapse benefit is equal to the present value of future claims for an insured if the policy is lapsed in the following year.

The Paid-Up Nonforfeiture Benefit Reserve is equal to the present value of future claims for all insureds currently in paid-up status.

## Appendix I – Sample Claim Costs (Repricing)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

Sample Claim Costs Per \$1 of Daily Benefit												
3 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	46	91	181	46	91	181	46	91	181	46	91	181
55	0.558	0.490	0.410	0.416	0.363	0.300	0.402	0.353	0.295	0.299	0.262	0.216
65	1.438	1.260	1.046	1.532	1.347	1.125	1.040	0.911	0.756	1.107	0.974	0.813
75	5.574	4.875	4.012	6.940	6.145	5.181	4.346	3.801	3.128	5.412	4.791	4.040
85	22.796	19.920	16.313	32.494	28.874	24.483	19.507	17.046	13.958	27.807	24.708	20.950
95	48.257	41.378	32.595	78.732	69.591	58.301	43.708	37.475	29.518	71.310	63.028	52.799

Sample Claim Costs Per \$1 of Daily Benefit												
6 Year Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	46	91	181	46	91	181	46	91	181	46	91	181
55	0.962	0.851	0.719	0.709	0.625	0.525	0.692	0.612	0.517	0.510	0.450	0.378
65	2.393	2.109	1.765	2.592	2.294	1.935	1.730	1.524	1.276	1.874	1.658	1.398
75	8.751	7.675	6.340	11.702	10.395	8.809	6.823	5.984	4.942	9.125	8.105	6.868
85	34.666	30.332	24.875	54.227	48.226	40.897	29.663	25.953	21.282	46.402	41.265	34.992
95	69.059	59.342	46.904	122.987	108.557	90.552	62.544	53.741	42.472	111.386	98.313	82.000

Sample Claim Costs Per \$1 of Daily Benefit												
Lifetime Benefit Period: No Indexing by Elimination Period (days)												
Attained	100% HHC						50% HHC					
	Male			Female			Male			Female		
Age	46	91	181	46	91	181	46	91	181	46	91	181
55	1.540	1.375	1.181	1.270	1.136	0.979	1.108	0.990	0.850	0.914	0.818	0.704
65	3.690	3.285	2.798	4.400	3.940	3.394	2.667	2.374	2.022	3.180	2.847	2.452
75	12.580	11.138	9.361	18.713	16.763	14.433	9.809	8.684	7.298	14.591	13.070	11.252
85	48.110	42.480	35.460	82.748	74.112	63.701	41.168	36.348	30.339	70.808	63.415	54.503
95	95.632	83.314	67.683	179.789	160.085	135.830	86.612	75.451	61.290	162.832	144.980	123.005

### Appendix I– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
3 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	0.596	0.527	0.447	0.443	0.390	0.327	0.429	0.379	0.322	0.319	0.281	0.236
65	1.534	1.353	1.140	1.635	1.447	1.226	1.109	0.978	0.824	1.181	1.046	0.886
75	5.936	5.226	4.363	7.416	6.608	5.651	4.629	4.075	3.402	5.783	5.153	4.406
85	24.255	21.329	17.718	34.750	31.070	26.708	20.756	18.251	15.161	29.738	26.587	22.853
95	51.081	44.088	35.266	84.057	74.748	63.474	46.265	39.930	31.937	76.133	67.700	57.485

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
6 Year Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.076	0.959	0.823	0.792	0.704	0.601	0.775	0.690	0.592	0.570	0.506	0.432
65	2.664	2.364	2.010	2.894	2.579	2.209	1.925	1.709	1.453	2.091	1.864	1.597
75	9.656	8.526	7.148	13.065	11.682	10.044	7.529	6.647	5.572	10.187	9.108	7.831
85	38.060	33.514	27.882	60.476	54.115	46.519	32.567	28.677	23.856	51.749	46.304	39.802
95	74.869	64.772	52.001	135.797	120.566	101.893	67.807	58.659	47.088	122.988	109.189	92.271

<b>Sample Claim Costs Per \$1 of Daily Benefit</b>												
Lifetime Benefit Period: With 5% Indexing; by Elimination Period (days)												
Attained Age	<u>100% HHC</u>						<u>50% HHC</u>					
	<u>Male</u>			<u>Female</u>			<u>Male</u>			<u>Female</u>		
	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>	<u>46</u>	<u>91</u>	<u>181</u>
55	1.908	1.716	1.496	1.676	1.513	1.326	1.373	1.235	1.076	1.206	1.089	0.955
65	4.464	4.002	3.460	5.644	5.092	4.457	3.227	2.892	2.500	4.079	3.680	3.221
75	14.631	13.038	11.114	23.079	20.808	18.164	11.409	10.166	8.665	17.995	16.224	14.162
85	54.953	48.818	41.308	98.771	88.953	77.391	47.023	41.772	35.343	84.519	76.115	66.218
95	106.745	93.605	77.174	207.005	185.294	159.084	96.677	84.772	69.886	187.482	167.812	144.065

## Appendix II– Sample Claim Costs (Original Pricing)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>HCC at 100%</b>									
<b>Sample Male Claim Costs Per \$1 of Daily Benefit</b>									
<b>Base Plan</b>									
Attained Age	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.877	0.770	0.688	1.225	1.083	0.976	1.706	1.512	1.369
65	2.154	1.834	1.629	2.771	2.371	2.114	3.530	3.027	2.704
75	6.933	5.805	5.048	8.484	7.144	6.234	10.463	8.822	7.705
85	19.950	16.651	14.198	23.342	19.544	16.653	28.157	23.594	20.104
95	38.460	31.600	26.015	44.036	36.331	29.937	52.702	43.508	35.866

<b>HCC at 100%</b>									
<b>Sample Female Claim Costs Per \$1 of Daily Benefit</b>									
<b>Base Plan</b>									
Attained Age	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.873	0.766	0.687	1.257	1.112	1.008	1.865	1.660	1.517
65	2.765	2.400	2.165	3.814	3.332	3.030	5.266	4.618	4.212
75	9.006	7.775	7.032	12.187	10.580	9.601	16.093	14.000	12.711
85	31.413	27.370	24.891	41.895	36.585	33.129	53.011	46.284	41.794
95	49.535	42.702	37.749	63.308	54.880	48.667	78.935	68.377	60.410

<b>HCC at 50%</b>									
<b>Sample Male Claim Costs Per \$1 of Daily Benefit</b>									
<b>Base Plan</b>									
Attained Age	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.691	0.607	0.543	0.873	0.711	0.694	1.127	0.996	0.899
65	1.560	1.338	1.185	1.871	1.611	1.436	2.339	2.018	1.800
75	5.435	4.614	4.029	6.511	5.557	4.871	7.962	6.802	5.961
85	16.126	13.677	11.752	18.647	15.871	13.662	22.498	19.160	16.495
95	33.301	27.662	22.905	37.961	31.664	26.285	45.440	37.923	31.498

<b>HCC at 50%</b>									
<b>Sample Female Claim Costs Per \$1 of Daily Benefit</b>									
<b>Base Plan</b>									
Attained Age	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.663	0.586	0.528	0.865	0.768	0.700	1.191	1.061	0.971
65	2.171	1.897	1.714	2.840	2.498	2.278	3.856	3.403	3.111
75	7.469	6.514	5.911	9.809	8.602	7.834	12.779	11.224	10.219
85	27.236	23.927	21.790	35.715	31.464	28.596	44.934	39.570	35.866
95	43.148	37.497	33.232	55.261	48.320	43.092	68.836	60.127	53.410

## Appendix II– Sample Claim Costs (cont.)

Sample claim costs used in pricing before adjustments for underwriting and other claim cost adjustments.

<b>HCC at 100%</b>									
<b>Sample Male Claim Costs Per \$1 of Daily Benefit</b>									
<b>With 5% Indexing</b>									
Attained <u>Age</u>	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.949	0.840	0.764	1.402	1.250	1.146	2.137	1.913	1.764
65	2.323	1.993	1.799	3.114	2.687	2.435	4.116	3.562	3.236
75	7.419	6.261	5.527	9.365	7.952	7.046	11.780	10.018	8.888
85	21.278	17.893	15.480	25.462	21.486	18.568	30.984	26.169	22.613
95	40.804	33.789	28.230	47.613	39.607	33.117	57.332	47.733	39.934

<b>HCC at 100%</b>									
<b>Sample Female Claim Costs Per \$1 of Daily Benefit</b>									
<b>With 5% Indexing</b>									
Attained <u>Age</u>	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.947	0.838	0.764	1.449	1.294	1.195	2.478	2.229	2.078
65	2.986	2.611	2.393	4.330	3.814	3.522	6.522	5.776	5.359
75	9.699	8.436	7.746	13.728	12.012	11.064	19.080	16.740	15.430
85	33.813	29.674	27.368	46.934	41.281	37.879	60.890	53.538	48.940
95	53.047	46.053	41.278	70.162	61.286	55.122	88.989	77.645	69.478

<b>HCC at 50%</b>									
<b>Sample Male Claim Costs Per \$1 of Daily Benefit</b>									
<b>With 5% Indexing</b>									
Attained <u>Age</u>	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.772	0.686	0.623	1.032	0.920	0.843	1.396	1.247	1.145
65	1.721	1.489	1.341	2.133	1.853	1.679	2.734	2.381	2.159
75	5.881	5.031	4.457	7.245	6.234	5.546	8.987	7.741	6.884
85	17.327	14.798	12.885	20.448	17.530	15.291	24.878	21.343	18.620
95	35.475	29.693	24.933	41.173	34.619	29.146	49.580	41.719	35.151

<b>HCC at 50%</b>									
<b>Sample Female Claim Costs Per \$1 of Daily Benefit</b>									
<b>With 5% Indexing</b>									
Attained <u>Age</u>	<u>3/46</u>	<u>3/91</u>	<u>3/181</u>	<u>6/46</u>	<u>6/91</u>	<u>6/181</u>	<u>Life/46</u>	<u>Life/91</u>	<u>Life/181</u>
55	0.749	0.668	0.613	1.044	0.936	0.868	1.598	1.440	1.345
65	2.397	2.112	1.937	3.282	2.911	2.696	4.824	4.298	3.995
75	8.165	7.174	6.600	11.177	9.876	9.123	15.212	13.469	12.437
85	29.605	26.185	24.159	40.286	35.734	32.888	51.836	45.951	42.141
95	46.484	40.669	36.521	61.629	54.286	49.086	78.016	68.618	61.715

Actuarial Certification

I, Gregory Gurlik, am an Actuary and an officer of the Northwestern Long Term Care Insurance Company and am a member in good standing of the American Academy of Actuaries. I wrote the Actuarial Memorandum for the rate increase filing for forms RS.LTC.(1101). The assumptions used as stated in this memorandum are reasonable and realistic for this product. To the best of my knowledge and judgment, this filing complies with the laws and regulations of your state and the benefits are reasonable in relation to the premiums charged.



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Actuary

February 23, 2017

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Date

# Northwestern Long Term Care Insurance Company

## Side by Side Comparison of UU.LTC.(0916) New Business Premium Rates and RS.LTC.(1101) Revised Premium Rates

The UU.LTC.(0916) policy form currently available for sale has two spousal/companion discounts available, a spousal one insured discount and a spousal two insured discount. The spousal one discount is for an individual who has a spouse or companion but their spouse or companion does not apply or is not medically approved for coverage. The spousal two discount is available for an individual if both associated spouses are medically approved for a current series policy and both policies are put in force. The RS.LTC.(1101) policy form only has one spousal/companion discount. This discount is a spousal two insured discount, where both spouses must have applied and been insurable in order to be eligible for the discount. Since RS.LTC.(1101) does not have a spousal one discount, the premiums for the UU.LTC.(0916) spousal one premiums are compared to the RS.LTC.(1101) single premiums in this document. The UU.LTC.(0916) single and spousal two premiums are compared to the corresponding RS.LTC.(1101) single and spousal two premiums.

Premium rates under the UU.LTC.(0916) policy form are on a sex distinct basis, whereas RS.LTC.(1101) premium rates are on a sex neutral basis. In order to compare the sex neutral rates to the sex distinct rates, the following Male-Female blend has been applied to the UU.LTC.(0916) rates for each discount type, consistent with the actual in force gender mix for RS.LTC.(1101):

Single/Spousal 1: 38% Male, 62% Female

Spousal 2: 50% Male, 50% Female

The UU.LTC.(0916) policy form provides reimbursement up to a monthly limit and a 12 week elimination period, whereas the RS.LTC.(1101) forms provide reimbursement up to a daily limit and a 91 day beginning date. Since the monthly amount provides greater value to the policyholder, we have reduced the UU.LTC.(0916) new business premiums by 5% for the comparisons to RS.LTC.(1101) in this document.

The RS.LTC.(1101) revised premium rates are lower than the UU.LTC.(0916) new business premium rates for all policy types and issue ages.

# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 38% Male, 62% Female Blend, 12 Week Elimination Period

No Discount/Single

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	541	847	-36%
30	541	930	-42%
35	541	1,035	-48%
40	541	1,156	-53%
52	897	1,543	-42%
57	1,144	1,875	-39%
62	1,550	2,392	-35%
67	2,296	3,367	-32%
72	3,763	4,993	-25%
77	5,458	7,348	-26%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	2,624	10,196	-74%
30	2,624	9,379	-72%
35	2,624	8,726	-70%
40	2,624	8,082	-68%
52	3,086	6,752	-54%
57	3,390	6,675	-49%
62	3,935	6,831	-42%
67	5,007	7,984	-37%
72	7,043	9,942	-29%
77	9,057	12,297	-26%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	570	868	-34%
30	570	955	-40%
35	570	1,064	-46%
40	570	1,188	-52%
52	955	1,593	-40%
57	1,221	1,934	-37%
62	1,663	2,483	-33%
67	2,469	3,507	-30%
72	4,064	5,251	-23%
77	5,913	7,874	-25%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	721	1,151	-37%
30	721	1,287	-44%
35	721	1,464	-51%
40	721	1,654	-56%
52	1,215	2,298	-47%
57	1,555	2,846	-45%
62	2,113	3,713	-43%
67	3,131	5,246	-40%
72	5,137	7,820	-34%
77	8,161	11,752	-31%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	3,751	15,362	-76%
30	3,751	14,096	-73%
35	3,751	13,116	-71%
40	3,751	12,092	-69%
52	4,377	10,037	-56%
57	4,791	9,938	-52%
62	5,538	10,187	-46%
67	7,018	11,950	-41%
72	9,936	14,879	-33%
77	13,886	18,811	-26%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	787	1,212	-35%
30	787	1,358	-42%
35	787	1,546	-49%
40	787	1,753	-55%
52	1,341	2,443	-45%
57	1,727	3,047	-43%
62	2,354	3,999	-41%
67	3,505	5,711	-39%
72	5,772	8,635	-33%
77	9,209	13,530	-32%



# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 38% Male, 62% Female Blend, 12 Week Elimination Period

Spousal - One Insured Discount

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	541	804	-33%
30	541	883	-39%
35	541	983	-45%
40	541	1,098	-51%
52	897	1,466	-39%
57	1,144	1,781	-36%
62	1,550	2,272	-32%
67	2,296	3,198	-28%
72	3,763	4,744	-21%
77	5,458	6,981	-22%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	2,624	9,686	-73%
30	2,624	8,910	-71%
35	2,624	8,290	-68%
40	2,624	7,677	-66%
52	3,086	6,414	-52%
57	3,390	6,341	-47%
62	3,935	6,489	-39%
67	5,007	7,585	-34%
72	7,043	9,445	-25%
77	9,057	11,682	-22%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	570	825	-31%
30	570	907	-37%
35	570	1,011	-44%
40	570	1,129	-49%
52	955	1,513	-37%
57	1,221	1,838	-34%
62	1,663	2,359	-29%
67	2,469	3,332	-26%
72	4,064	4,989	-19%
77	5,913	7,480	-21%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	721	1,094	-34%
30	721	1,223	-41%
35	721	1,390	-48%
40	721	1,572	-54%
52	1,215	2,183	-44%
57	1,555	2,704	-42%
62	2,113	3,528	-40%
67	3,131	4,984	-37%
72	5,137	7,429	-31%
77	8,161	11,164	-27%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	3,751	14,594	-74%
30	3,751	13,392	-72%
35	3,751	12,460	-70%
40	3,751	11,488	-67%
52	4,377	9,536	-54%
57	4,791	9,441	-49%
62	5,538	9,677	-43%
67	7,018	11,353	-38%
72	9,936	14,135	-30%
77	13,886	17,871	-22%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	787	1,152	-32%
30	787	1,290	-39%
35	787	1,469	-46%
40	787	1,665	-53%
52	1,341	2,321	-42%
57	1,727	2,894	-40%
62	2,354	3,799	-38%
67	3,505	5,426	-35%
72	5,772	8,203	-30%
77	9,209	12,853	-28%

# Northwestern Long Term Care Insurance Company

## Lifetime Pay Long-Term Care Policy Annual Premium

\$155 Maximum Daily Limit for RS.LTC.(1101) Revised Sex Neutral Rates, 91 Day Beginning Date

\$4,715 Maximum Monthly Limit for UU.LTC.(0916) Sex Distinct New Business Rates - 50% Male, 50% Female Blend, 12 Week Elimination Period

Spousal - Two Insured Discount

3 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	460	657	-30%
30	460	720	-36%
35	460	799	-42%
40	460	889	-48%
52	763	1,177	-35%
57	972	1,432	-32%
62	1,318	1,827	-28%
67	1,951	2,565	-24%
72	3,199	3,792	-16%
77	4,639	5,574	-17%

3 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	2,231	7,679	-71%
30	2,231	7,059	-68%
35	2,231	6,558	-66%
40	2,231	6,062	-63%
52	2,623	5,028	-48%
57	2,881	4,972	-42%
62	3,345	5,107	-34%
67	4,256	5,960	-29%
72	5,987	7,447	-20%
77	7,698	9,229	-17%

3 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	485	674	-28%
30	485	738	-34%
35	485	821	-41%
40	485	912	-47%
52	812	1,212	-33%
57	1,038	1,475	-30%
62	1,414	1,893	-25%
67	2,099	2,667	-21%
72	3,454	3,977	-13%
77	5,026	5,954	-16%

6 Year Benefit Period No Indexing			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	613	887	-31%
30	613	990	-38%
35	613	1,121	-45%
40	613	1,263	-51%
52	1,033	1,744	-41%
57	1,321	2,161	-39%
62	1,796	2,816	-36%
67	2,661	3,971	-33%
72	4,366	5,893	-26%
77	6,937	8,841	-22%

6 Year Benefit Period Automatic Benefit Increase Option			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	3,188	11,517	-72%
30	3,188	10,558	-70%
35	3,188	9,811	-68%
40	3,188	9,026	-65%
52	3,721	7,438	-50%
57	4,072	7,372	-45%
62	4,707	7,587	-38%
67	5,966	8,882	-33%
72	8,445	11,077	-24%
77	11,803	14,025	-16%

6 Year Benefit Period Automatic Additional Purchase Benefit			
Issue Age	RS.LTC.(1101)	UU.LTC.(0916)	Difference
25	669	932	-28%
30	669	1,042	-36%
35	669	1,182	-43%
40	669	1,335	-50%
52	1,140	1,850	-38%
57	1,468	2,306	-36%
62	2,001	3,023	-34%
67	2,979	4,305	-31%
72	4,906	6,479	-24%
77	7,827	10,104	-23%

Health Insurance Rate Request Summary  
Part 1 – To Be Completed By Company

Reset Form

Company Name and NAIC Number:	Northwestern Long Term Care Insurance Company
SERFF Tracking Number:	NWST-130932341
Effective Date:	08/01/2017
(Projected) Number of Insureds Affected:	238
New Rates	
Average Annual Premium Per Member:	\$2,563

Revised Rates

Average Annual Premium Per Member:	\$3,279
Average Requested Percentage Rate Change Per Member:	27.9%
Minimum Requested Percentage Rate Change Per Member:	0%
Maximum Requested Percentage Rate Change Per Member:	30%

Plans Affected  
(The Form Number and "Product Name")

Form#	"Product Name"(if applicable)
RS.LTC.(1101) (pre-rate stabilization)	QuietCare RS

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for new or revised rates.

This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.